

**AGENDA  
OF THE CITY COUNCIL  
CITY OF EAST GRAND FORKS  
TUESDAY, OCTOBER 21, 2014 – 5:00 PM**

**CALL TO ORDER:**

**CALL OF ROLL:**

**DETERMINATION OF A QUORUM:**

**PLEDGE OF ALLEGIANCE:**

**SWEARING IN OF OFFICER CHERYL SEVIGNY:**

**PLAQUE PRESENTATION:**

**OPEN FORUM:**

*“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.”*

**APPROVAL OF MINUTES:**

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of October 7, 2014.
2. Consider approving the minute summary of the “Closed Special Session” for the East Grand Forks, Minnesota City Council of October 7, 2014.
3. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of October 14, 2014.

**SCHEDULED BID LETTINGS: NONE.**

**SCHEDULED PUBLIC HEARINGS:**

4. Public Hearing to consider adopting Resolution 14-10-95 adopting the assessment rolls 328-332 for 2011 Assessment Job 2 & 3 – Utilities and Street Improvements – Industrial Park for a total assessment of 164,440.08.

**CONSENT AGENDA:**

*Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.*

5. Consider adopting the pay plan for seasonal employees which incorporates the minimum wage increase passed by the State of Minnesota.
6. Consider approving the request to replace the carpeting in Fire Station No. 1 with carpet squares

from Brian's Flooring for the amount of \$11,950.00.

7. Consider awarding the job of repairing the off ramp from Highway 2 to Miller Motivations for the amount of \$10,325.00.
8. Consider adopting Resolution No. 14-10-96 formally accepting the COPS Grant, entering into an agreement with the East Grand Forks Public School splitting the cost on the School Resource Officer, and authorizing a hiring process to start when necessary to fill this position.
9. Consider adopting Resolution No. 14-10-97 authorizing the East Grand Forks Police Department to enter into an agreement with neighboring communities to share the grant of \$45,158.32 and have East Grand Forks be the fiscal agent and administer the Towards Zero Deaths Grant.
10. Consider approving the purchase of eight 800 ARMER portable radios for the Police Department from Stone's Radio for the amount \$29,189.00 with \$20,000 being paid for by the City and the remainder being paid for by funds from Polk County.
11. Consider adopting Resolution No. 14-10-98 authorizing the City Engineers to draft and submit a letter of intent making the City eligible for TAP funds to help pay for a bikeway along Bygland Road.
12. Consider approving the request for striping and signage to be placed in the parking lot by the Neil Law Office.

**ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:**

13. Special meeting minutes of the Water, Light, Power, and Building Commission from September 15, 2014.
14. Regular meeting minutes of the Water, Light, Power, and Building Commission from September 18, 2014.
15. Special meeting minutes of the Water, Light, Power, and Building Commission from September 22, 2014.

**COMMUNICATIONS: NONE.**

**OLD BUSINESS: NONE**

**NEW BUSINESS:**

16. Consider adopting Resolution No. 14-10-95 adopting the assessment rolls 328-332 for 2011 Assessment Job 2 & 3 – Utilities and Street Improvements – Industrial Park for a total assessment of 164,440.08.
17. Consider approving the Civic Recreation Center and VFW Memorial Arena Lease Agreement between the City of East Grand Forks and the East Grand Forks Public School District.
18. Consider adopting Resolution No. 14-10-99 transferring the housing program to the Northwest

Minnesota Multi-County Housing Authority.

19. Consider adopting Resolution No. 14-10-100 accepting a proposal for auditing services and entering into a three year agreement.

**CLAIMS:**

20. Consider adopting Resolution No. 14-10-101 a Resolution authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 19963 for a total of \$2,108.63 whereas Council Member Buckalew is personally interested financially in the contract.
21. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

**COUNCIL/STAFF REPORTS:**

**ADJOURN:**

Upcoming Meetings:

- Work Session – October 28, 2014 – 5:00 PM – Training Room
- Regular Council Meeting – November 4, 2014 – 5:00 PM – Council Chambers
- Work Session – November 10, 2014 – 5:00 PM – Training Room
- Regular Council Meeting – November 18, 2014 – 5:00 PM – Council Chambers

**UNAPPROVED MINUTES  
OF THE CITY COUNCIL  
CITY OF EAST GRAND FORKS  
TUESDAY, OCTOBER 7, 2014 – 5:00 PM**

**CALL TO ORDER:**

*The Regular Meeting of the East Grand Forks City Council for October 7, 2014 was called to order by Council President Buckalew at 5:00 P.M.*

**CALL OF ROLL:**

*On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council Members Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.*

*Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Brad Bail, City Engineer; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; and Jason Stordahl, Public Works Director.*

**DETERMINATION OF A QUORUM:**

*The Council President Determined a Quorum was present*

**PLEDGE OF ALLEGIANCE:**

**PRESENTATION ON SORLIE BRIDGE PROJECT:**

Mr. Les Noehre introduced himself to the Council and said that he was with the North Dakota Department of Transportation. He gave a brief overview of the Sorlie Bridge project, explained how KLJ had been hired for this project. He explained how they were responsible for inspecting the bridge, reporting their findings, and completing an environmental impact statement. Mr. Noehre told the council that the impact statement was an in-depth analysis of the project and the outcome was a different conclusion than was anticipated. He then introduced Mr. Kris Bakkegard from KLJ who was going to present more information to the Council.

Mr. Bakkegard thanked Mr. Noehre for the introduction and for the overview he had given of the project. He continued by showing the study area that was included in the environmental impact statement which included both downtown areas of East Grand Forks and Grand Forks. He explained how initially it was thought the bridge would have to be replaced based on past evaluations. Mr. Bakkegard said how the guidelines have now changed regarding the replacement of gussets and using these new guidelines they have found there is no need to replace the bridge. He stated the bridge is in fair condition but does need some repairs. He said how they will be scaling back the project which means a shorter construction time with minimal closures. He added how they are still considering if the approach roadways will be included in the project or not.

Mayor Stauss stated that this project will be impacting our downtown area and that it is very important for them to allow traffic to cross the bridge as much as possible while the project is going on. Mr. Bakkegard said that was duly noted. Council member Tweten asked what the timeline was going to be. Mr. Bakkegard said the original timeline had a starting date in 2018 after the work on the Kennedy Bridge was completed. He added that once this project starts they should be able to fit this into one construction season. Council member Tweten asked if they will be starting on a new bypass bridge with all of the money they are saving on this project. Mr. Bakkegard stated he was not able to make that decision. Council member Helms asked if the approaches would be included. Mr. Bakkegard said that was still being considered but at this time he was not sure if that was going to be included in the project. Mr. Bakkegard ended the presentation stating this was to inform the council how the project had been scaled down and they will be holding public meetings for input.

**OPEN FORUM:**

*“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.”*

**APPROVAL OF MINUTES:**

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of September 16, 2014.
2. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of September 23, 2014.
3. Consider approving the minutes of the “Special Meeting” for the East Grand Forks, Minnesota City Council of September 29, 2014.

**A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER OLSTAD, TO APPROVE ITEMS ONE (1) THROUGH THREE (3).**

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*

*Voting Nay: None.*

*Absent: Leigh*

**SCHEDULED BID LETTINGS: NONE.**

**SCHEDULED PUBLIC HEARINGS: NONE.**

**CONSENT AGENDA:**

*Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.*

4. Consider approving the request declare the list of equipment, vehicles, and miscellaneous items as surplus and to be sold at auction.
5. Consider adopting Resolution No. 14-10-92 authorizing preliminary approval to the proposed functional classification revisions to the road system in East Grand Forks.

- 6. Consider adopting Resolution No. 14-10-93 requesting the Metropolitan Planning Organization to include specific studies in their work program for 2015-2016.
- 7. Consider approving a temporary liquor license application for St. Michael’s Church holding an event at Sacred Heart Church on November 1, 2014 and contract with East Grand Lanes, LLC for liquor services.

**A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO APPROVE ITEMS FOUR (4) THROUGH SEVEN (7).**

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*  
*Voting Nay: None.*  
*Absent: Leigh*

**ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:**

- 8. Regular meeting minutes of the Water, Light, Power, and Building Commission from September 4, 2014.

**COMMUNICATIONS: NONE.**

**OLD BUSINESS: NONE**

**NEW BUSINESS:**

- 9. Consider accepting the proposed terms in the letter from EAPC and request an agreement to be drafted for repair work at the Campbell Library.

**A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER GRASSEL, TO ACCEPT THE PROPOSED TERMS IN THE LETTER FROM EAPC AND REQUEST AN AGREEMENT TO BE DRAFTED FOR REPAIR WORK AT THE CAMPBELL LIBRARY.**

Council member Helms commented that there had been lots of money spent on this issue already and asked if the City would have to pay more if this did not fix the problem. Ms. Helgeson stated that a construction lawyer was involved in the process this time to make sure everything was in order in the case that this does not fix the issue. Council President Buckalew asked when this was going to be done. Ms. Helgeson said the plan was have the project completed this fall.

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*  
*Voting Nay: None.*  
*Absent: Leigh*

- 10. Consider approving an agreement between the City of East Grand Forks and Northland Community and Technical College for use of a public parking lot for the truck driving program.

**A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE AN AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND NORTHLAND COMMUNITY AND TECHNICAL COLLEGE FOR USE OF A PUBLIC PARKING LOT FOR THE TRUCK DRIVING PROGRAM.**

Mayor Stauss said that the trucks had been left in the parking lot overnight and how that isn't right. A short discussion followed about how the agreement stated they would be gone by certain times each day. Mr. Murphy stated that he would be contacting the college about this. Mr. Galstad added that he had witnessed them backing up and getting close to the Veteran's Monument. He suggested they are asked to practice backing up in a different area of the parking lot.

*Voting Aye: Tweten, Olstad, Grassel, Helms, and Buckalew.*  
*Voting Nay: Vetter.*  
*Absent: Leigh*

11. Consider approving the Addendum to the Joint Exercise of Peace Officer Duties Agreement between the East Grand Forks Police Department including the Pine to Prairie Task Force and regional law enforcement departments in both North Dakota and Minnesota.

**A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER VETTER, TO APPROVE THE ADDENDUM TO THE JOINT EXERCISE OF PEACE OFFICER DUTIES AGREEMENT BETWEEN THE EAST GRAND FORKS POLICE DEPARTMENT INCLUDING THE PINE TO PRAIRIE TASK FORCE AND REGIONAL LAW ENFORCEMENT DEPARTMENTS IN BOTH NORTH DAKOTA AND MINNESOTA.**

Council member Tweten commented after seeing recent events how important it was for staff to have the proper body protection and how all of the departments should be provided with the proper equipment.

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*  
*Voting Nay: None.*  
*Absent: Leigh*

**CLAIMS:**

12. Consider adopting Resolution No. 14-10-94 a Resolution authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 19837 for a total of \$891.91 whereas Council Member Buckalew is personally interested financially in the contract.

**A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 14-10-94 A RESOLUTION AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 19837 FOR A TOTAL OF \$891.91 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.**

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*

*Voting Nay: None.*

*Absent: Leigh.*

13. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

**A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER HELMS, TO AUTHORIZE THE CITY ADMINISTRATOR/CLERK-TREASURER TO ISSUE PAYMENT OF RECOMMENDED BILLS AND PAYROLL.**

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*

*Voting Nay: None.*

*Absent: Leigh*

**COUNCIL/STAFF REPORTS:**

Mayor Stauss informed the Council that there was a governor’s debate in Moorhead on Wednesday evening and that he had a question submitted for the debate about the pond system. He added how the Council will need to work hard the next two years on this project to try and obtain additional funds for this project.

Council President Buckalew stated how the beet harvest campaign had started and with that extra truck traffic he reminded everyone to be safe.

Council Member Tweten informed the Council about how Ms. Helgeson helped out residents who were going to be taking a trip find information about where they were going and how happy they were with the help that was provided. He said how the Fire Department held an open house. He added how this event was done in an excellent manor showing our exemplary staff and good leadership.

Mr. Murphy informed the Council that he will be out of the office on Thursday and Friday of next week.

**ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER VETTER, TO ADJOURN THE OCTOBER 7, 2014 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:28 P.M.**

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*

*Voting Nay: None.*

*Absent: Leigh.*

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David Murphy, City Administrator/Clerk-Treasurer

**UNAPPROVED MINUTE SUMMARY  
OF THE CITY COUNCIL  
CLOSED SPECIAL MEETING  
CITY OF EAST GRAND FORKS  
TUESDAY, OCTOBER 7, 2014 – FOLLOWING THE COUNCIL MEETING**

**CALL TO ORDER:**

*The Closed Special Meeting of the East Grand Forks City Council for October 7, 2014 was called to order by Council President Buckalew at 5:35 P.M.*

**CALL OF ROLL:**

*On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council Members Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.*

*David Murphy, City Administrator/Clerk-Treasurer and Megan Nelson, Executive Assistant.*

**DETERMINATION OF QUORUM:**

*The Council President Determined a Quorum was present*

1. Closed session to evaluate the job performance of the City Administrator. Closed session is to be performed according to the exception to the open meeting law pursuant to Minnesota Statute 13D.05, Subd. 3(a).

The City Council and Mr. Murphy reviewed his evaluation summary, discussed comments made on the evaluation, and the goals that were set by the Council.

**ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADJOURN THE OCTOBER 7, 2014 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:18 P.M.**

*Voting Aye: Tweten, Olstad, Grassel, Vetter, Helms, and Buckalew.*

*Voting Nay: None.*

*Absent: Leigh.*

**UNAPPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, OCTOBER 14, 2014 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for October 14, 2014 was called to order by Council Vice-President Greg Leigh at 5:00 P.M.*

**CALL OF ROLL:**

*On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council Vice President Greg Leigh, Council Members Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.*

*Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Dan Boyce, Water & Light Manager; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; and Jason Stordahl, Public Works Director.*

**DETERMINATION OF A QUORUM:**

*The Council Vice-President Determined a Quorum was present*

**1. Future of Parcel 40.00149.00 – David Murphy**

Mr. Murphy explained that the City had been contacted by Huntsville Township asking who the current owner was of the property that was being used for storage. He added that there is no lease agreement for this property and asked how the Council would like to move forward. Representatives from Huntsville Township explained how this property is in violation of the zoning ordinance and they would like to know who to deal with to have it brought back into compliance. Discussion followed about what this property is going to be used for, what the future zoning might be, what the restrictions might be on this property, and that it was transferred to the City from the County. Council Vice-President Leigh asked for more research to be done on this item and have it brought back to the next work session.

**2. Bygland Bike Lanes – Steve Emery**

Mr. Emery informed the Council that they had been working to try and include sharrows on Bygland Road from Business Highway 2 all the way out to South Point Elementary School and Central Middle School. He explained how the sharrows would work and the signage that goes along with them. He told the Council that if the project changes and the construction cost increases to about \$62,500 the City would then be eligible to apply for TAP funds to help pay for

this project. He stated how there would be an 80/20 split on construction costs and explained where a sidewalk could be made wider and turned into a trail to increase the costs. He added that there are specific deadlines they have to meet in order to apply for the funds. Ms. Erickson stated that a letter of intent needed to be sent in by October 31<sup>st</sup>, applications were due by January 9<sup>th</sup>, and the Council would know by April 15<sup>th</sup> if they were going to receive funding.

Mayor Stauss asked what the cost of repainting these every year would be. Mr. Emery estimated around \$24,000 for paint. Mr. Stordahl added that they might not have to repaint every year if the sharrows were not painted the path of the traffic or they could put the paint inside of milling so it is not scraped off during snow removal. Discussion followed about if this as requested by the taxpayers, how there are more people biking around town, that Bygland Road is busy, and safety was a big concern. Mr. Emery reminded the Council that if they moved forward with a designated bike lane the street was not wide enough to also allow parking so no parking would be allowed Bygland Road. He added that the sharrows would allow parking so the Council will have to decide one which one to move forward with.

Council Vice-President Leigh said his concern was the ongoing costs. Council member Vetter commented that the signage was more than the striping. He also suggested that the City obtains a template and can do its own striping to help cut down costs. Council member Helms asked how the TAP funds work. Mr. Emery stated how the City would have to pay for everything and then be reimbursed by the TAP program. Discussion followed about if the City should move forward with sharrows or a bike lane with many council members not wanting to restrict parking on Bygland Road. Council member Vetter said he was not in favor of the bike lanes or making the sidewalk wider. He suggested extending the sharrows down Greenway Boulevard to Rhinehart Drive.

This item will be referred to a City Council Meeting for action.

### **3. COPS Office Grant – Mike Hedlund**

Chief Hedlund explained how there had been an officer in the schools up until 2009 and that they have been applying for the grant to get an officer back into the school system the last few years. He reviewed how this is a four year grant with the first three years having a federal match but the 4th year being only covered by the local funds. He added how he will be asking the school to once again partner up with the City and help pay the local share for this position. Council member Tweten commented that Officer Swang had done an excellent job when he was in the school and that he supports this. Council member Grassel said how there have been more issues and this is needed. Discussion followed about what the duties are for this position, how they can bring in a drug sniffing dog, and how this position will be working with the 5th grade classes.

This item will be referred to a City Council Meeting for action.

### **4. Request for Towards Zero Deaths Grant – Mike Hedlund**

Chief Hedlund told the Council that the grant they are applying for was formally known as Safe and Sober. He explained how they can use these funds for traffic safety like seat belt, DWI, and

speeding enforcement. He said that the Crookston Police Department, Thief River Falls Police Department, and Polk County Sheriff's Office have partnered with East Grand Forks to share this grant. Council member Vetter asked if East Grand Forks was the fiscal agent and if a percentage of the grant can be used to cover administrative costs. Chief Hedlund said they have not done that in the past but it is something he can ask about. Council member Vetter suggested a 5% to 10% administration fee. Council member Helms asked if the amount is split equally. Chief Hedlund said that it was but if one of the entities does not use their full amount it can be utilized by the others in the group.

This item will be referred to a City Council Meeting for action.

#### **5. Request to Purchase Radios – Mike Hedlund**

Chief Hedlund explained that Chief Larson had done lots of research on radios and the issues they have been having with the radios they are currently using. He commented on how Polk County already is using the 800 system radios. He continued by saying there is was \$20,000 budgeted for a radio console that could be used for the purchase of these radios with funds available from Polk County since the City is spending its own funds. Discussion followed about how dispatching works between Crookston and Polk County. Council member Olstad said that with the expanded drug task force they would benefit if they could communicate without needing assistance.

This item will be referred to a City Council Meeting for action.

#### **6. Parking by Neil Law Office – Nancy Ellis**

Ms. Ellis explained how there have been issues in the public parking lot by the Neil Law Office. She stated how some there have been cars parked right in front of the door which has almost completely blocked off the entrance. She said how staff had met with Mr. Neil and reviewed how the parking lot could be striped with hatching by the entrance taking away that parking spot, adding a handicap spot, striping the rest of the parking lot, and adding signage. Council member Tweten stated that he was in favor of moving forward with this. Discussion followed about previous discussions to purchase part of the parking lot and why Mr. Neil was not able to.

This item will be referred to a City Council Meeting for action.

#### **7. Request for Cell Tower Location – Nancy Ellis**

Ms. Ellis stated that Verizon is proposing to put up a tower by the VFW Arena. She added how they were looking at the area between the Quonset and VFW Arena and that this is still in the planning phase of this process. Council Vice-President Leigh said he was not against this but did not want this located in an area that has the potential to be developed. Mr. Buell stated that they would be able to move it back and out of an area that could be developed. Discussion followed about where the tower could be placed without being in the way of utilities and how 80% of East Grand Forks is residential so it will be difficult not to have a tower located in a residential area.

Council member Helms asked why a tower should put in a park if it could create health issues. Council Vice-President Leigh said the literature he read said there were more frequencies coming from cell phones than a cell phone tower. Ms. Ellis stated that the Cancer Society page has useful information about this. Council Vice-President Leigh asked to have a new proposal brought back to the next work session for more discussion.

#### **8. Request for Carpeting at Fire Station No. 1 – Gary Larson**

Chief Larson stated that the carpet was wearing out at the fire station and was in need of replacement. He asked to replace it with carpet squares so portions could be replaced when needed. He said that \$15,000 had been set aside for this project and recommended to move forward with getting carpet squares from Brian's Flooring with a quote of \$11,950.00.

This item will be referred to a City Council Meeting for action.

#### **9. Request for Street Repair – Jason Stordahl**

Mr. Stordahl explained how the street by the Fire Station might be tore up next year for a water main project so that portion of the project will be put on hold. He continued by explaining how there broken panels that need to be fixed on the off ramp of Highway 2. He added how there might be an issue with the storm water system that goes through this area that caused the broken panels and that will be determined once they are removed. Council member Vetter asked if that was the State's responsibility to fix this. Mr. Stordahl said that both he and Mr. Boppre had called to check on that and they were told the City maintains this. He added that he would check again. Mr. Stordahl said that he would recommend awarding the job to Miller Motivations for the repairs by Highway 2.

This item will be referred to a City Council meeting for action.

#### **10. Seasonal Pay Plan – David Murphy**

Mr. Murphy stated that this was more of a formality but official council action was needed. He stated how there was an increase in the State minimum wage which is reflected in the new pay plan. Council member Vetter commented on how this has impacted the City Budget.

This item will be referred to a City Council Meeting for action.

Chief Hedlund rejoined the meeting. Council Vice-President Leigh asked Chief Hedlund what happened at the School Board Meeting. Chief Hedlund stated they approved the partnership with the City unanimously to put an officer back in the schools.

#### **11. Selection of Auditing Services – Karla Anderson**

Ms. Anderson informed the Council that three proposals were reviewed by the committee and all three met qualifications but they sent two for the Council to consider. Council member Tweten commented on the good job that BradyMartz had done for the City and the Water &

Light Department. He requested quarterly reports from whoever is awarded the contract. Council member Vetter asked how much was spent on the audit this year. Ms. Anderson stated it was about \$50,000 per year but that included other services also. Council member Vetter reminded the council that there had been a previous discussion on auditing services and how it is good to have a new set of eyes looking at the finances. A discussion followed about how both firms are reputable, both would do a good job, and how there is a price difference between the two proposals. Council member Vetter stated that usually the council only meets with the auditors once a year and how it was included in the proposals that they would be meeting with the council and staff on a more regular basis.

This item will be referred to a City Council Meeting for action.

### **12. October 28<sup>th</sup> and November 4<sup>th</sup> Meetings – Megan Nelson**

Ms. Nelson reminded the Council of the League Regional meeting that was taking place on October 28<sup>th</sup> which was the same night as the work session. She asked if they would let her know by the next day if they would like to attend so it could be determined if there would be enough for a quorum or if the work session needed to be moved to another day.

Ms. Nelson also reminded them that November 4<sup>th</sup> was the day of the election and asked if they would like to hold the Council meeting or if they would like to change it to a different night. She added that they could hold the meeting as long as they were done by 6:00pm. After a short discussion the council said they would like to hold the meeting on the regular day and time.

Ms. Nelson said the last meeting she had a question about was work session that was supposed to take place on November 11<sup>th</sup>. She explained that it was Veteran's Day and no business is conducted on that day. After another short discussion the Council decided they should move it to November 10<sup>th</sup>. Ms. Nelson stated that she would get it posted.

### **ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADJOURN THE OCTOBER 14, 2014 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:34 P.M.**

*Voting Aye: Olstad, Leigh, Grassel, Vetter, Helms, and Tweten.*

*Voting Nay: None.*

*Absent: Buckalew.*

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David Murphy, City Administrator/Clerk-Treasurer

# Request for Council Action

Date: 9-30-14

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.

Cc: File

From: Terry Knudson

RE: Seasonal Employee Pay

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Consider approving the request to approve a pay plan for all seasonal positions within the City of East Grand Forks. This Seasonal Pay Plan was designed after the current pay plan. Positions were placed on Grades and Steps in similar manor. This plan was updated on 8/1/14 to incorporate the Minnesota State Minimum Wage increase.

Spread Between Grades 5.5%  
 Spread Between Steps 1-8 4.0%

|       |    | Step  |       |       |       |       |       |       |
|-------|----|-------|-------|-------|-------|-------|-------|-------|
|       |    | 1     | 2     | 3     | 4     | 5     | 6     | 7     |
| Grade | 1  | 7.32  | 7.62  | 7.92  | 8.24  | 8.57  | 8.91  | 9.27  |
|       | 2  | 7.73  | 8.03  | 8.36  | 8.69  | 9.04  | 9.40  | 9.77  |
|       | 3  | 8.15  | 8.48  | 8.82  | 9.17  | 9.53  | 9.92  | 10.31 |
|       | 4  | 8.60  | 8.94  | 9.30  | 9.67  | 10.06 | 10.46 | 10.88 |
|       | 5  | 9.09  | 9.45  | 9.83  | 10.23 | 10.63 | 11.06 | 11.50 |
|       | 6  | 9.59  | 9.97  | 10.37 | 10.79 | 11.22 | 11.67 | 12.13 |
|       | 7  | 10.10 | 10.50 | 10.92 | 11.36 | 11.82 | 12.29 | 12.78 |
|       | 8  | 10.66 | 11.08 | 11.52 | 11.99 | 12.47 | 12.96 | 13.48 |
|       | 9  | 11.24 | 11.69 | 12.16 | 12.65 | 13.15 | 13.68 | 14.22 |
|       | 10 | 11.86 | 12.33 | 12.83 | 13.34 | 13.87 | 14.43 | 15.01 |
|       | 11 | 12.51 | 13.01 | 13.53 | 14.07 | 14.64 | 15.22 | 15.83 |
|       | 13 | 13.20 | 13.73 | 14.28 | 14.85 | 15.44 | 16.06 | 16.70 |
|       | 14 | 13.93 | 14.48 | 15.06 | 15.67 | 16.29 | 16.94 | 17.62 |
|       | 15 | 18.69 | 19.43 | 20.21 | 21.02 | 21.86 | 22.73 | 23.64 |

Official I 17.50  
 Official II 20.00  
 Official III 25.00  
 Official IV 27.50

01/01/14-07/31/14

Spread Between Grades 5.5%  
 Spread Between Steps 1-8 4.0%

|       |    | Step  |       |       |       |       |       |       |
|-------|----|-------|-------|-------|-------|-------|-------|-------|
|       |    | 1     | 2     | 3     | 4     | 5     | 6     | 7     |
| Grade | 1  | 8.00  | 8.32  | 8.65  | 9.00  | 9.36  | 9.73  | 10.12 |
|       | 2  | 8.44  | 8.78  | 9.13  | 9.49  | 9.87  | 10.27 | 10.68 |
|       | 3  | 8.90  | 9.26  | 9.63  | 10.02 | 10.42 | 10.83 | 11.27 |
|       | 4  | 9.39  | 9.77  | 10.16 | 10.57 | 10.99 | 11.43 | 11.89 |
|       | 5  | 9.91  | 10.31 | 10.72 | 11.15 | 11.59 | 12.06 | 12.54 |
|       | 6  | 10.46 | 10.87 | 11.31 | 11.76 | 12.23 | 12.72 | 13.23 |
|       | 7  | 11.03 | 11.47 | 11.93 | 12.41 | 12.90 | 13.42 | 13.96 |
|       | 8  | 11.64 | 12.10 | 12.59 | 13.09 | 13.61 | 14.16 | 14.73 |
|       | 9  | 12.28 | 12.77 | 13.28 | 13.81 | 14.36 | 14.94 | 15.53 |
|       | 10 | 12.95 | 13.47 | 14.01 | 14.57 | 15.15 | 15.76 | 16.39 |
|       | 11 | 13.67 | 14.21 | 14.78 | 15.37 | 15.99 | 16.63 | 17.29 |
|       | 13 | 14.42 | 14.99 | 15.59 | 16.22 | 16.87 | 17.54 | 18.24 |
|       | 14 | 15.21 | 15.82 | 16.45 | 17.11 | 17.79 | 18.50 | 19.25 |
|       | 15 | 16.05 | 16.69 | 17.36 | 18.05 | 18.77 | 19.52 | 20.30 |

Official I 17.50  
 Official II 20.00  
 Official III 25.00  
 Official IV 27.50

MN Min Wage Increase 8/1/14  
 Needs to be adopted by Council

| <b>Position</b>          | <b>Grade</b> |               |
|--------------------------|--------------|---------------|
| Coach I                  | 1            |               |
| Coach II                 | 2            |               |
| Coordinator              | 7            |               |
| Figure Saking Instructor | 3            |               |
| Ice Guard                | 1            | Max Step 3    |
| Operators                | 5            | Max Step 4    |
| Outdoor Rink Attendent   | 1            | Max Step 3    |
| Supervisor               | 6            |               |
| Sweeper                  | 1            |               |
| Ticket Sellers           | 1            | Max Step 3    |
| Mowers                   | 5            | Max Step 3    |
| Campground Worker        | 7            |               |
| Campground Security      | 7            |               |
| Campground Front Desk    | 11           |               |
| Campground Manager       | 15           |               |
| Library Aide             | 1            |               |
| Library Clerk I          | 2            |               |
| Library Worker           | 1            |               |
| Library Coordinator      | 2            |               |
| Library Custodian        | 1            |               |
| Official I               | n/a          | See Pay Scale |
| Official II              | n/a          | See Pay Scale |
| Official III             | n/a          | See Pay Scale |
| Official IV              | n/a          | See Pay Scale |

# Request for Council Action

Date: October 8, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Fire Chief Gary Larson

RE: Station 1 carpet squares

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The carpet in station 1 is in need of replacement. We put \$15000 into Capital Improvement Fund last year to replace carpets. We chose to go with carpet squares because squares can be pulled up and replace separately if needed.

We have received two bids to install carpet squares. Burris Carpet bid at \$15,035.85, and Brians Flooring bid at \$11,950.. Bids are attached.

It would be my recommendation to accept the bid from Brians Flooring for \$11,950.00. This would be less than the amount set aside in Capital Improvements.

Thank You  
Gary Larson  
Fire Chief

**BRIANS FLOORING**  
 1622 CENTRAL AVE NE  
 EAST GRAND FORKS, MN 56721  
 218-773-3130

**FLOORING ESTIMATE**

|           |              |
|-----------|--------------|
| DATE      | ESTIMATE NO. |
| 7/14/2014 | 3806         |

|   |
|---|
| NAME / ADDRESS  |
| EAST GRAND FORKS FIRE STATION<br>415 4TH ST NW<br>EAST GRAND FORKS MN 56721 |
| Attn: Gacy 773-2403   |

|               |       |     |
|---------------|-------|-----|
| JOB / ADDRESS |       |     |
|               |       |     |
| Phone #       | TERMS | REP |
| 218-773-3130  |       |     |

| DESCRIPTION   | QUANTITY | S.F. PRICE   | TOTAL              |
|---|----------|--------------|--------------------|
| CARPET REPLACEMENT IN SLEEPING QUARTERS AND OFFICE AREAS  |          |              |                    |
| PRODUCT: MOHAWK CARPET TILE DYNAMIC FORM<br>COLOR _____<br>PRODUCT JOHNSONIRE VINYL BASE COLOR<br>_____ |          |              |                    |
| SUPPLY AND INSTALL NEW FLOORING AND VINYL BASE ,<br>REMOVE EXISTING                                     |          | 11,950.00    | 11,950.00          |
| CUSTOMER TO REMOVE ALL FURNITURE<br>MN SALES TAX  |          | 6.875%       | 0.00               |
|   |          | <b>TOTAL</b> | <b>\$11,950.00</b> |

MATERIALS TO BE PAID UPON ORDERING, REMAINDER DUE DAY OF INSTALLATION. ALL WARRANTIES ARE THAT OF EACH INDIVIDUAL MANUFACTURING COMPANY NOT THAT OF BRIANS FLOORING. ANY CANCELLATION OF ORDER WILL RESULT IN RESTOCKING CHARGES TO BE PAID BY CUSTOMER, ALL INSTALLATION IS WARRANTIED FOR 1 YEAR FROM PURCHASE.

SIGNATURE \_\_\_\_\_

# BURRIS CARPET PLUS, INC.

2307 SOUTH WASHINGTON STREET

GRAND FORKS, ND 58201

701.787.5216

## ESTIMATE

August 14, 2012

East Grand Forks Fire Station

East Grand Forks, MN

| <b>VANGOGH</b>              |      |    |   |       |      |                  |
|-----------------------------|------|----|---|-------|------|------------------|
| <b>VANGOGH</b>              | 1645 | sf | x | 3.97  | = \$ | 6,530.65         |
| Cleaner & Comm. Refresh     |      |    |   |       | = \$ | 256.85           |
| Cove Base                   | 600  | sf | x | 2.75  | = \$ | 1,650.00         |
| T Metal                     | 24   | ft | x | 2.75  | = \$ | 66.00            |
| T Molding                   | 24   | ft | x | 2.75  | = \$ | 66.00            |
| Glue                        | 3    | ea | x | 202.1 | = \$ | 606.30           |
| Filler                      |      |    |   |       | = \$ | 48.75            |
| Versa Sheild & Tape         | 1645 | sf | x | 1.35  | = \$ | 2,220.75         |
| Sales Tax                   |      |    |   |       | \$   | 772.56           |
| Installation                | 1645 | sf | x | 2.25  | = \$ | 3,701.25         |
| Removal & Prep Work         |      |    |   |       | = \$ | 1,500.00         |
| Rental of Stripper & Blades |      |    |   |       | = \$ | 210.00           |
| <b>TOTAL VANGOGH</b>        |      |    |   |       | \$   | <b>17,629.11</b> |

| <b>CARPET TILE</b>       |      |       |   |           |      |                  |
|--------------------------|------|-------|---|-----------|------|------------------|
| <b>SYNC UP</b>           |      |       |   |           |      |                  |
| <b>SYNC UP</b>           | 2880 | sf    | x | \$ 2.85   | = \$ | 8,208.00         |
| Extra Boxes              | 96   | sf    | x | \$ 2.85   | = \$ | 273.60           |
| Glue                     | 4    | 4 gal | x | \$ 106.00 | = \$ | 424.00           |
| Cove Base                | 840  | ft    | x | \$ 2.75   | = \$ | 2,310.00         |
|                          |      |       |   |           | \$   | 757.05           |
| Installation             |      |       |   |           | = \$ | 1,728.00         |
| Removal                  |      |       |   |           | = \$ | 835.20           |
| *** Prep Work Estimate   |      |       |   |           | = \$ | 500.00           |
| <b>TOTAL CARPET TILE</b> |      |       |   |           | \$   | <b>15,035.85</b> |
| <b>JOB COMPLETE</b>      |      |       |   |           | \$   | <b>32,664.96</b> |

EGF FIRE STATEION is responsible to supply a dumpster!

# Request for Council Action

Date: 10/10/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Jason Stordahl, Public Works Director

RE: Street Improvements

There are two areas that are in need of immediate street repair. The first area is the down ramp coming off of highway 2, and the second is the area in front of Fire Station #1. I received the following estimates for repair:

Fire Station #1 Repair

|                    |             |
|--------------------|-------------|
| Miller Motivations | \$11,545.00 |
| H&S Construction   | \$14,101.50 |

**UPDATE:** Due to a possible water main replacement that might take place next year this part of the project will not be moving forward.

HWY 2 off ramp

|                    |             |
|--------------------|-------------|
| Miller Motivations | \$10,325.00 |
| H&S Construction   | \$13,625.00 |

Recommendation: I recommend that we award both street repair jobs to Miller Motivations for a total cost of \$21,870. Funding would be taken from our Street Maintenance Fund where there are adequate funds.

H & S Construction  
 17279 US Hwy 59NE  
 Thief River Falls, MN 56701

10/9/2014 2459

City of East Grand Forks  
 1001 2nd St NE  
 East Grand Forks Mn 56721  
 Att: Jason

218.681.5503

218.681.7063

Off Ramp of Hwy 2

|  |     |        |           |
|--|-----|--------|-----------|
| Remove existing concrete pavement (14' x 40')(SY)    | 65  | 38.00  | 2,470.00  |
| Remove curb and gutter                               | 15  | 15.00  | 225.00    |
| 10" concrete pavement with epoxy baskets (14' x 40') | 560 | 18.00  | 10,080.00 |
| Remove Inlet and install chimney seal and set height | 1   | 850.00 | 850.00    |

If any Additional Information is Required Please Call Robert Audette  
 @218.686.9308

\$13,625.00

Miller Motivations, LLC  
 602 12th Street NW  
 East Grand Forks, MN 56721

# Estimate

|            |            |
|------------|------------|
| Date       | Estimate # |
| 10/10/2014 | 260        |

|  |
|--|
| Name / Address   |
| City of East Grand Forks<br>1001 2nd Street NE<br>East Grand Forks, MN 56721 |

|         |
|---------|
| Project |
|         |

| Description   | Qty | Cost         | Total       |
|---|-----|--------------|-------------|
| LOCATION: Gateway Drive off ramp/ River Road<br><br>14' x 40' x 10" Removal and replacement of city street. Removal and replacement of 15' x 2'8" curb and gutter. Remove catch basin. Check for repairs on barrel/rings and install a floating seal around catch basin supplied by the city. If any undermining, that digging would be extra. This quote includes removal, replacement, materials and Labor. We will use city furnished signs to block street off. |     | 10,325.00    | 10,325.00   |
|   |     | <b>Total</b> | \$10,325.00 |

Customer Signature \_\_\_\_\_

# Request for Council Action

Date: 10/01/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, Chad Grassel and Dale Helms.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: COPS Office Grant – School Resource Officer Position

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## **Background:**

The East Grand Forks Police Department and the East Grand Forks Public Schools have previously partnered on a School Resource Officer (SRO) position with that partnership ending in 2009 for budgetary reasons. Since that time the EGFPD has annually applied for COPS Office funding to help fund a new SRO position in East Grand Forks. On September 29, 2014 we were notified that we had been selected to receive a grant from the COPS Office that will provide partial funding for this position for three years. If accepted the grant requires that the officer be retained for at least 12 months following the end of the grant. If the decision is made to accept the grant and renew this partnership I would expect to place an officer in the EGF public schools at the start of the 2015/2016 school year. The EGFPD would hire an officer at the start of the Summer of 2015 and put that officer through our Field Training Program so that they would be ready to work in the field by Fall 2015. We would then place an experienced officer (who would be selected with the assistance of school district officials) in the schools at the start of the school year. I would expect that the officer would spend the majority of their time at EGF Senior High with some time at Central Middle School and also respond to New Heights and South Point as needed/requested.

I would anticipate a number of meetings between police department and school officials prior to the 2015/2016 school year to help ensure a smooth transition into this new program.

## **Finances:**

The 2014 COPS grant provides \$125,000.00 in funding over a three year period. They require the Federal share of the funding to decrease each year while the local share needs to increase. In my application I had the Federal share set up as follows: 1<sup>st</sup> year = \$42,500.00, 2<sup>nd</sup> year = \$41,500.00 and 3<sup>rd</sup> year = \$41,000.00.

For the local share we would be considering entry level officer wages. Since we would be adding a new officer to the department (to replace the experienced officer that would go in the schools) the only new personnel costs are for an entry level officer.

Based on my calculations for the grant application I was estimating total costs of \$226,036.84 for the grant period with the local share being \$101,036.84. These figures were estimates based upon the scheduled step increases for the new officer and a projected 2% annual COLA. Depending on future negotiations (The current contract expires at the end of 2015) this figure could vary to some degree.

The total cost (approximate) including pay and benefits is as follows:

- 2015/2016 School Year = \$71,483.19
- 2016/2017 School Year = \$75,729.09
- 2017/2018 School Year = \$78,824.56

With the grant funding considered the total local share for both the school district and the city, based upon a 50/50 share would be as follows:

- 2015/2016 School Year = \$14,491.50
- 2016/2017 School Year = \$17,114.55
- 2017/2018 School Year = \$18,912.28

Projections for the required 4<sup>th</sup> year benefits and salary would be approximately \$82,016.00 or a shared cost of \$41,008.00 for the school and for the city.

Projected City of East Grand Forks personnel cost for budget year 2015 would be approximately \$8,453.38.

Based on these projections the total personnel cost for the school district and for the city for this project would be \$91,526.334 for a four year period. The City of East Grand Forks would provide all uniforms and equipment for the officer. We would expect that the school district would provide office space for the officer to work out of.

Should the school district and the city move forward on this project the grant requirements include the signing of a Memorandum of Understanding that must be submitted to the COPS Office prior to any grant funds being reimbursed.

**Recommendations:**

Approve the acceptance of the COPS Grant for the purposes of hiring a police officer and entering into a partnership with the East Grand Forks School District on a School Resource Officer Program.

**Enclosures:**

COPS Office Grant Award Letter



U.S. DEPARTMENT OF JUSTICE  
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES  
145 N Street, NE, Washington, D.C. 20530

**COPS**

Chief of Police Michael Hedlund  
East Grand Forks Police Department  
520 Demers Ave  
East Grand Forks, MN 56721

Re: COPS Hiring Program Grant # 2014UMWX0035  
ORI#: MN06002

Dear Chief of Police Hedlund:

Congratulations! On behalf of Attorney General Eric Holder, I am pleased to inform you that the COPS Office has approved your agency for 1 officer positions under the 2014 COPS Hiring Program (CHP). The *estimated* amount of federal funds to be awarded to your jurisdiction over the three-year grant period is \$125,000. Your local cash match will be \$101,037. Your agency may use CHP grant funding to hire new officers or rehire officers who have been laid off, or scheduled to be laid off on a specific future date, as a result of local budget cuts, on or after the official grant award start date. Please note that any changes to the awarded hiring categories require an official review and approval by the COPS Office.

To officially accept and begin your COPS Hiring Program grant, your agency must access [www.cops.usdoj.gov](http://www.cops.usdoj.gov) and select the Account Access link in the upper right corner to log in, review, and electronically sign the Award Document (including Grant Terms and Conditions) and any special conditions as applicable. In addition, if your agency was awarded funding for School Resource Officers, a Memorandum of Understanding (MOU) must be signed by the law enforcement executive and designated representative for the school/school district and submitted to the COPS Office for review prior to the drawdown of grant funding.

In order to electronically sign your Award Document, the appropriate Account Roles, with E-Signature and User Permissions must be established and assigned in Agency Portal. The Agency Portal Instruction Manual currently available on the COPS website at <http://cops.usdoj.gov/Default.asp?Item=46> has been enhanced to include a Quick Step Guide. This guide will provide your agency with all of the information needed to successfully establish Account Roles and assign User Permissions in preparation to sign the Award Document as well as manage many aspects of your COPS grant online. Please review and follow these steps carefully as this is the only method for signing your Award Document.

The CHP grant award start date is **September 1, 2014**. Therefore, your agency can be reimbursed for allowable and approved expenditures made on or after this date. Please be advised that some of your requested items may not have been approved by the COPS Office during the budget review process. When you receive your award package, please carefully review your Financial Clearance Memorandum (FCM) to determine your approved budget, as grant funds

may only be used for approved items. The FCM will specify the final award amount, and will also identify any disallowed costs. We strongly encourage you to visit <http://cops.usdoj.gov/Default.asp?Item=2367> immediately to access a supplemental online award package that contains a variety of important and helpful documents that will assist you with the implementation of your grant, including the 2014 CHP Grant Owner's Manual, which specifies the programmatic and financial terms, conditions, and requirements of your grant. Please print out a copy of your application and maintain it with your grant file records.

As a reminder, all positions awarded under CHP (or an equal number of veteran officers) must initiate or enhance community policing in accordance with the community policing strategy as described within Section 6 of your application. If, for any reason, your agency finds that your community policing strategies have significantly changed from those outlined in your application (e.g., because you received fewer officers than originally requested and thus must alter the scope of your community policing strategies), please revise the strategy accordingly and submit it to the COPS Office for review and approval.

As part of the 2014 COPS Hiring Program, your agency will be required to submit quarterly Federal Financial Reports (SF-425) as well as quarterly program progress reports. CHP grantees should be prepared to track and report CHP funding separately from other funding sources (including other COPS and federal grants) to ensure accurate financial and programmatic reporting on a timely basis. Your agency should ensure that you have financial internal controls in place to monitor the use of CHP funding and ensure that its use is consistent with the grant terms and conditions. In addition, your agency will be required to complete the Community Policing Self-Assessment Tool (CP-SAT) at the beginning and again towards the end of the grant award period.

Also, please remember that grantees must retain all sworn officer positions awarded under the 2014 CHP grant for a minimum of 12 months following the 36-month federal funding period. The retained CHP-funded position(s) should be added to your law enforcement budget with state and/or local funds, over and above the number of locally-funded positions that would have existed in the absence of the grant. In your 2014 CHP grant application, your agency was required to affirm that it plans to retain the additional officer positions awarded following the expiration of the grant, and to identify the planned sources of retention funding. If, during the life of the grant, you have questions regarding the retention requirement or your retention funding sources, please contact the COPS Office for assistance.

We look forward to working with your agency in a productive partnership to further your community policing efforts. If you have any questions about your grant, please do not hesitate to call your Grant Program Specialist through the COPS Office Response Center at 1.800.421.6770.

Sincerely,



Ronald L. Davis  
Director

**RESOLUTION NO. 14 – 10 - 96**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

WHEREAS, the East Grand Forks Police Department and the East Grand Forks Public Schools previously partnered on a School Resource Officer position which ended in 2009;

WHEREAS, the Police Department has applied in recent years for the grant to put a police officer back in the schools; and

WHEREAS, the Police Department recently received notification from the US Department of Justice that East Grand Forks has been approved to receive this grant again;

WHEREAS, the Chief of Police has spoken to the School Board who voted unanimously to enter into a partnership once again with the City for a School Resource Officer;

NOW THEREFORE BE IT RESOLVED that the City Council of the City of East Grand Forks, Minnesota agrees to the following:

- 1 – The Council formally accepts the COPS Grant from the US Department of Justice.
- 2 – The Council authorizes the Mayor, City Administrator, and Chief of Police to enter into an agreement with the East Grand Forks Public School System creating a partnership and splitting the cost of the local share for this position.
- 3 – The Council authorizes the Chief of Police to start a hiring process when necessary to fill this position so an officer will be hired by the 2015-2016 school year.

*Voting Aye:*

*Voting Nay:*

*Absent:*

The President declared the resolution passed.

Passed: October 21, 2014

Attest:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 21<sup>st</sup> day of October, 2014.

\_\_\_\_\_  
Mayor

# Request for Council Action

Date: 10/08/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, Chad Grassel and Dale Helms.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: Grant Resolution

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**Background:** The East Grand Forks Police Department has partnered with the Polk County Sheriff's Department and the Crookston Police Department on a TZD (Towards Zero Deaths – formerly Safe and Sober) Traffic Safety Grant for many years. The EGFPD has served as the fiscal agent for the grant with Mike Swang serving as the grant coordinator. With Mike Swang's retirement I am currently serving as the grant coordinator. In 2013 Thief River Falls PD also became a partner in this grant. The next grant period runs from October 1, 2014 through September 2015. As the fiscal agent we are required to have a City Council resolution approving the acceptance of the grant and authorizing me to execute the grant agreements, serve as the fiscal agent and administer the grant. I have attached a draft resolution to this RCA. The grant pays for salary and benefits for officers to work overtime assignments during traffic safety blitzes. There is also a small portion of the grant that can be used for traffic safety equipment purchases on a 50/50 match. Each of the involved agencies has agreed to take turns using this equipment money and this year it is Thief River Falls' turn so they will be required to make the match this year.

**Recommendation:** Recommend that the City Council pass the resolution.

**Attachments:** Draft Resolution.

**RESOLUTION NO. 14 – 10 - 97**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT**

Be it resolved that the East Grand Forks Police Department enter into a grant agreement with the Minnesota Department of Public Safety, for traffic safety enforcement projects during the period from October 1, 2014 through September 30, 2015. The grant is for a total of \$45,158.32 and is shared between the East Grand Forks, Crookston and Thief River Falls Police Departments and the Polk County Sheriff’s Office with the City of East grand Forks serving as the fiscal agent for the grant.

Chief of Police Michael Hedlund (or his designee) is hereby authorized to execute such agreements and amendments as are necessary to implement the project on behalf of the East Grand Forks Police Department and to be the fiscal agent and administer the grant.

*Voting Aye:*

*Voting Nay:*

*Absent:*

The President declared the resolution passed.

Passed: October 21, 2014

Attest:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 21<sup>st</sup> day of October, 2014.

\_\_\_\_\_  
Mayor

# Request for Council Action

Date: 10/08/2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, Chad Grassel and Dale Helms.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: Request to Purchase Police Radios

---

**Background:** The East Grand Forks Police Department currently uses a VHF radio system. Our current main dispatch console is outdated and is in need of replacement and we had \$20,000.00 budgeted in 2014 to make that replacement. Several factors have developed that have caused us to delay that purchase. In 2013 FCC regulations required radio channels to be “narrow banded” and this has caused a decrease in our radio coverage which is a problem when we are assisting the Polk County S.O. and other regional law enforcement agencies in areas outside of East Grand Forks. Also, in recent years the State of Minnesota has transitioned the state radio systems to an 800 trunking “ARMER” (Allied Radio Matrix for Emergency Response) radio system and most public safety agencies have followed suit. Our Department had stayed with the VHF system for a variety of reasons, primarily budget and our need to communicate effectively with the Grand Forks, ND agencies, but we feel that the benefits of switching to 800 now outweigh the reasons for staying VHF.

During the course of 2014 our Department, along with the East Grand Forks Fire Department and other city departments, have been looking into the various aspects of the 800 ARMER system and we have determined that it is in our best interest to move forward with this transition. Polk County currently has some grant funding that can be used to assist with the purchase of radios for the 800 systems. They have \$10,284.00 that was designated for the EGFPD but those funds must be spent in 2014. The EGFPD and EGFFD have researched various radio brands/models. Motorola currently has the State Bid for radios and is also the brand that has been purchased by the Polk County Sheriff’s Office, the Crookston PD and by the MN State Patrol so if we move forward with the purchase of Motorola radios it will also ease the interoperability of our agencies.

We have done trials with the Motorola radios and our officers have consistent coverage throughout the region – significantly better than with the current VHF radios. Polk County Dispatch has told us that they will be able to provide radio patches that should allow us to speak effectively with the Grand Forks agencies when that is needed. Based on all available factors we feel it is in the best interest of the City of

East Grand Forks to make the switch to the 800 ARMER system and are seeking to fully make the switch during the 2015 budget year.

We are now proposing that we take the \$20,000.00 that was budgeted in 2014 for the new Dispatch Console and combine it with the \$10,284.00 available from Polk County and take the first steps toward transitioning to the 800 ARMER system. I am attaching a quote from Stone's Radio for the purchase of 8 portable radios for the police department and associated equipment (chargers, earpieces, remote mics, etc.). The total price for this package is \$29,189.00. This would allow us to take the first step in this process, would increase our ability to work directly with the Polk County S.O. and other MN agencies and decrease our future budgetary needs as we make this transition.

**Recommendation:** It is my recommendation that the East Grand Forks City Council authorize the purchase of eight portable radios as detailed on the attached radio proposal.

**Attachments:** Radio Proposal from Stone's Radio.

# STONE'S

*Mobile Radio Incorporated*



Date: October 7, 2014

To: East Grand Forks Police Department  
Chief Hedlund

From: Paul Haen

Subject: Motorola Radio proposal

Chief Hedlund,

The following is the proposal you requested for new Motorola APX6000, 800 MHz, ARMER portable radios and accessories.

|  |             |
|--|-------------|
| (8) APX6000 800 MHz Portable Radios          | \$24,412.00 |
| (3) Single Unit IMPRES Chargers              | \$375.00    |
| (1) 6 Unit IMPRES Bank Charger               | \$788.00    |
| (8) Remote Speaker Microphones w/3.5 mm jack | \$880.00    |
| (8) Translucent Tube Earpiece                | \$464.00    |
| (3) Vehicle Portable Charger                 | \$1170.00   |
| (3) Vehicle Charger Installation             | \$300.00    |
| (8) ARMER Activation fees                    | \$400.00    |
| (8) Programming fees                         | \$400.00    |
| Total  | \$29,189.00 |

These prices reflect the current Minnesota State Bid prices, contract #20927. In addition, we are including an additional \$400.00 promotional discount per radio, which is good through November 2014.

Options included in the radios are Bluetooth Capabilities, Extreme Noise Reduction, FM Intrinsically Safe, and a 2-year Extended Warranty.

Thank you for considering Stone's Mobile Radio, Inc. for all your communication needs. Please call me if you have any questions.

Best regards,

Paul Haen

**RESOLUTION NO. 14 – 10 - 98**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

WHEREAS, there has been interest in creating either sharrows or bike lanes down Bygland Road and out to South Point Elementary School and Central Middle School;

WHEREAS, the City has an opportunity to apply for TAP funds to help pay for this project with an 80/20 split on construction costs;

WHEREAS, the City has to send a letter of intent which includes the details of the project;

NOW THEREFORE BE IT RESOLVED that the City Council of the City of East Grand Forks, Minnesota authorizes the City Engineers to draft and submit a letter of intent to be eligible for TAP funds for this project.

*Voting Aye:*

*Voting Nay:*

*Absent:*

The President declared the resolution passed.

Passed: October 21, 2014

Attest:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 21<sup>st</sup> day of October, 2014.

\_\_\_\_\_  
Mayor

# Request for Council Action

Date: October 9, 2014

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Chad Grassel, Mark Olstad and Dale Helms.

Cc: File

From: Steve Emery, P.E.

RE: Bike Lane Proposal – Business Highway 2 to Central Middle School & South Point Elementary

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**Background:**

We have been working with Mr. Vetter on a proposed Bike Lane / Bike Markings (Sharrows) project from US Business Highway 2 South on 2<sup>nd</sup> Ave NE and continuing along Bygland Road SE out to the Central Middle School including Bike Markings on 13<sup>th</sup> ST SE to South Point Elementary.

This proposal includes the construction of a designated bike lane from US Business Highway 2 South along 2<sup>nd</sup> Ave NE and continuing along Bygland Road up to the point fire station. From this point continuing South along Bygland Road sharrows would be installed out to the Central Middle School and also along 13<sup>th</sup> ST SE to South Point Elementary School. This proposal would still allow for parking along both sides of Bygland Road SE.

The following is the proposed budget for the project:

**PROPOSED BUDGET**

|                           | <b><u>Option No. 1</u></b> |
|---------------------------|----------------------------|
| Construction              | \$53,957.50                |
| Plans / Specifications    | \$5,395.75                 |
| Staking / Inspection      | \$2,697.88                 |
| Contingencies             | \$3,777.03                 |
| Administration / Legal    | <u>\$1,618.73</u>          |
| <b>TOTAL PROJECT COST</b> | <b>\$67,446.88</b>         |

**PROPOSED FUNDING**

|                           |                    |
|---------------------------|--------------------|
| City (To be determined)   | <u>\$67,446.88</u> |
| <b>TOTAL PROJECT COST</b> | <b>\$67,446.88</b> |

**Recommendation:**

Council to budget for improvements as well as apply for TAP funding which covers 80% construction cost.

Enclosures:

Engineers Estimate of Cost

We will bring to meeting drawings showing the proposed improvements.

# ENGINEER'S PRELIMINARY ESTIMATE OF COST

## Bygland Road Bike Lane



### Business Highway 2 - Middle School

10/9/2014

| DESCRIPTION   | UNIT   | QUANTITY | UNIT PRICE | TOTAL AMOUNT       |
|---|--------|----------|------------|--------------------|
| REMOVE AND REPLACE CONCRETE CURB & GUTTER           | LIN FT | 50       | \$ 25.00   | \$1,250.00         |
| COMMON EXCAVATION                                   | CU YD  | 25       | \$ 25.00   | \$625.00           |
| AGGREGATE BASE (CV)                                 | CU YD  | 20       | \$ 50.00   | \$1,000.00         |
| BITUMINOUS PAVEMENT                                 | SQ YD  | 91       | \$ 45.00   | \$4,095.00         |
| SIGN PANEL AND POSTS                                | EACH   | 50       | \$ 300.00  | \$15,000.00        |
| PAVEMENT MESSAGE (BIKE SYMBOL W/ARROW AND SHARROWS) | EACH   | 120      | \$ 200.00  | \$24,000.00        |
| 8 IN SOLID LINE WHITE - EPOXY                       | LIN FT | 6390     | \$ 1.25    | \$7,987.50         |
| <b>ESTIMATED CONSTRUCTION PROJECT TOTAL =</b>       |        |          |            | <b>\$53,957.50</b> |
| PLANS / SPECIFICATIONS (10%)=                       |        |          |            | \$5,395.75         |
| STAKING / INSPECTION (5%)=                          |        |          |            | \$2,697.88         |
| CONTINGENCIES (7%)=                                 |        |          |            | \$3,777.03         |
| ADMINISTRATION / LEGAL (3%)=                        |        |          |            | \$1,618.73         |
| <b>ESTIMATED TOTAL PROJECT COST =</b>               |        |          |            | <b>\$67,446.88</b> |

# Request for Council Action

Date: October 14, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Nancy Ellis, Community Development

RE: Parking near Neil Law Firm

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There have been numerous issues as of late with the public parking lot next to the Neil Law Firm Office. First, a space has not been striped no parking in front of the door and they have had a) people parking so close to the door that they are unable to leave the building without climbing over a small entrance near the door; and B) hitting his small wall entrance with their vehicle. Second, a number of spots have been occupied by downtown employees and leaves no room for his customers near the door. Third, he would like a handicapped spot near this new entrance.

Jason Stordahl and I have met with Mr. Neil and have the following recommendations:

- 1 - have proposed diagonal striping with no parking signage or striping in front of the door
- 2 - place a handicapped spot next to the diagonal striping and near the new door
- 3 - have signs placed on the south side of the lot (next to the building) that state "Neil Law Firm customer parking 8am-5pm"



Minutes of a special meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held September 15, 2014 at 5:00 P.M.

Present: Quirk, Loven, Tweten

Absent: Ogden

Discussion was held on the 2015 budget.

Commissioner Ogden entered the meeting at 5:25 P.M.

The 2015 water and electric rates were discussed.

Commissioner Tweten left the meeting at 6:30 P.M.

It was moved by Commissioner Ogden seconded by Commissioner Loven to adjourn to the next regular meeting on September 18, 2014 at 5:00 P.M.

Voting Aye: Quirk, Ogden, Loven

Voting Nay: None

Lori Maloney  
Sec'y

Minutes of the regular meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held September 18, 2014 at 5:00 P.M.

Present: Quirk, Tweten

Absent: Ogden, Loven

The meeting proceeded pursuant to the resolution passed February 6, 1990, pertaining to less than a quorum present to consider bills and payroll only.

It was moved by Commissioner Tweten seconded by Commissioner Quirk to authorize the Secretary to issue payment of the recommended bills and payroll in the amount of \$999,413.21.

Voting Aye: Quirk, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Quirk to adjourn to a special meeting on September 22, 2014 at 5:00 P.M.

Voting Aye: Quirk, Tweten

Voting Nay: None

Lori Maloney  
Sec'y

Minutes of a special meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held September 22, 2014 at 5:00 P.M.

Present: Quirk, Ogden, Loven, Tweten

Absent: None

It was moved by Commissioner Tweten seconded by Commissioner Loven that the minutes of the previous meeting of September 4, 2014 be approved as read.

Voting Aye: Quirk, Ogden, Loven, Tweten

Voting Nay: None

A discussion with Zavorals ensued regarding Change Order #1 for the 2014 watermain replacement project.

It was moved by Commissioner Tweten seconded by Commissioner Ogden to approve an additional amount of \$2,000.00 on Change Order #1 for the 2014 Watermain Replacement project.

Voting Aye: Quirk, Ogden, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Ogden seconded by Commissioner Loven to approve the sale of surplus transformers to T & R Electric in the amount of \$78,600.00

Voting Aye: Quirk, Ogden, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Ogden seconded by Commissioner Tweten to approve the quote from North-Holt Electric to extend fiber to Sanitary Lift stations #1, #3 and #4 in the amount of \$30,000.10.

Voting Aye: Quirk, Ogden, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Ogden seconded by Commissioner Loven to approve the quote from Norby's Office Services for furniture in the amount of \$6,761.00.

Voting Aye: Quirk, Ogden, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Ogden to adjourn to the next regular meeting on October 2, 2014 at 5:00 P.M.

Voting Aye: Quirk, Ogden, Loven, Tweten

Voting Nay: None

Lori Maloney  
Sec'y

**RESOLUTION NO. 14 – 10 - 95**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

WHEREAS, The City Administrator/Clerk-Treasurer with the assistance of the person designated, has calculated the proper amount to be specially assessed against every lot, piece and parcel of land, without regard to cash valuation, utilities and street foundation improvements described as “2011 Assessment Job No. 2 & 3 – Utilities & Street Improvements”; for a total assessment of \$164,440.08 and

WHEREAS, Said calculations known as the proposed assessments were filed with the Administrator/Clerk-Treasurer on September 30, 2014; and

WHEREAS, On October 1, 8, & 15, 2014, published notice was given in the official newspaper of a meeting of the Council to consider the said proposed assessment, and a copy of said published notice was mailed on September 30, 2014, to the owner(s) of the tract(s) or parcel(s) of land as provided by law, and the public hearing was held on October 21, 2014 and all objections to said proposed assessment have been considered by the Council, and

BE IT RESOLVED, That the City Council of the City of East Grand Forks, Minnesota, hereby determines that the property in the said proposed assessment is benefited by the improvement and that the amount of said assessment is based upon the benefit received, without regard to cash valuation, and that every lot, piece and parcel or parcels of land set out therein as assessable and that said proposed assessment has been calculated in accordance with the law, and

BE IT FURTHER RESOLVED, That said proposed assessments for said improvement be and hereby are adopted as the special assessments against the tracts of land stated in the assessment roll in the amount set out therein and that this assessment roll be given the descriptive name of “Assessment Rolls 328-332 – Utilities and Street Improvements.

BE IT FURTHER RESOLVED, That the said assessment shall be payable in equal installments over a period of twenty (20) years.

BE IT FURTHER RESOLVED, That interest at the rate of 4.5 percent per annum on the entire assessment from the date of the resolution levying said assessment to December 31, 2014, and each subsequent installment will be payable with one year’s interest at said rate on all unpaid installments, except that no interest will be charged if the entire assessment as to any parcel is paid at the office of the City Administrator/Clerk-Treasurer within 30 days from the date of adoption of the assessment roll. No partial prepayment has been authorized by ordinance.

*Voting Aye:*

*Voting Nay:*

The President declared the resolution passed.

Passed: October 21, 2014

Attest:

\_\_\_\_\_  
City Administrator/Clerk-Treasurer

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 21<sup>st</sup> day of October, 2014.

\_\_\_\_\_  
Mayor

**2011 Assessment Job. No. 2 - Utilities Construction  
Industrial Park  
East Grand Forks, MN**

| <u><b>Watermain Construction</b></u> |                                 |
|--------------------------------------|---------------------------------|
| Construction Cost                    | \$61,124.68                     |
| Plans & Specifications               | \$6,530.32                      |
| Staking & Inspection                 | \$4,222.12                      |
| Administration                       | \$1,833.74                      |
| Assessment Roll                      | \$611.25                        |
| <b>TOTAL</b>                         | <b>\$74,322.10</b>              |
| Federal Share                        | (\$36,641.61)                   |
| State Share                          | (\$24,439.64)                   |
| <b>TOTAL TO BE ASSESSED</b>          | <b>\$13,240.85</b>              |
| <b>FRONT FOOTAGE</b>                 |                                 |
| INDUSTRIAL PARK 2ND ADDITION         | 2,259.72                        |
| <b>TOTAL</b>                         | <b>2,259.72</b>                 |
| <b>ASSESSMENT RATE</b>               | <b>\$5.85951 per Front Foot</b> |
| <b>TOTAL AMOUNT TO BE ASSESSED</b>   | <b>\$13,240.85</b>              |

| <u><b>Storm Sewer Construction</b></u> |                             |
|--|-----------------------------|
| Construction Cost                      | \$65,859.68                 |
| Plans & Specifications                 | \$7,036.18                  |
| Staking & Inspection                   | \$4,549.19                  |
| Administration                         | \$1,975.79                  |
| Assessment Roll                        | \$658.60                    |
| <b>TOTAL</b>                           | <b>\$80,079.44</b>          |
| Federal Share                          | (\$39,480.04)               |
| State Share                            | (\$26,332.85)               |
| <b>TOTAL TO BE ASSESSED</b>            | <b>\$14,266.55</b>          |
| <b>SQUARE FOOTAGE</b>                  |                             |
| INDUSTRIAL PARK 2ND ADDITION           | 700,513.20                  |
| <b>TOTAL</b>                           | <b>700,513.20</b>           |
| <b>ASSESSMENT RATE</b>                 | <b>\$0.02037 per Sq Ft.</b> |
| <b>TOTAL AMOUNT TO BE ASSESSED</b>     | <b>\$14,266.58</b>          |

| <u><b>Sanitary Sewer Construction</b></u> |                                 |
|---|---------------------------------|
| Construction Cost                         | \$86,013.68                     |
| Plans & Specifications                    | \$9,189.36                      |
| Staking & Inspection                      | \$5,941.30                      |
| Administration                            | \$2,580.41                      |
| Assessment Roll                           | \$860.14                        |
| <b>TOTAL</b>                              | <b>\$104,584.89</b>             |
| Federal Share                             | (\$51,561.50)                   |
| State Share                               | (\$34,391.07)                   |
| <b>TOTAL TO BE ASSESSED</b>               | <b>\$18,632.31</b>              |
| <b>FRONT FOOTAGE</b>                      |                                 |
| INDUSTRIAL PARK 2ND ADDITION              | 2,259.72                        |
| <b>TOTAL</b>                              | <b>2,259.72</b>                 |
| <b>ASSESSMENT RATE</b>                    | <b>\$8.24541 per Front Foot</b> |
| <b>TOTAL AMOUNT TO BE ASSESSED</b>        | <b>\$18,632.32</b>              |

| <u><b>Street Construction</b></u>  |                                 |
|------------------------------------|---------------------------------|
| Construction Cost                  | \$93,380.18                     |
| Plans & Specifications             | \$9,976.36                      |
| Staking & Inspection               | \$6,450.14                      |
| Administration                     | \$2,801.41                      |
| Assessment Roll                    | \$933.80                        |
| <b>TOTAL</b>                       | <b>\$113,541.89</b>             |
| Federal Share                      | (\$55,977.40)                   |
| State Share                        | (\$37,336.44)                   |
| <b>TOTAL TO BE ASSESSED</b>        | <b>\$20,228.05</b>              |
| <b>FRONT FOOTAGE</b>               |                                 |
| INDUSTRIAL PARK 2ND ADDITION       | 2,259.72                        |
| <b>TOTAL</b>                       | <b>2,259.72</b>                 |
| <b>ASSESSMENT RATE</b>             | <b>\$8.95157 per Front Foot</b> |
| <b>TOTAL AMOUNT TO BE ASSESSED</b> | <b>\$20,228.04</b>              |

2011 Assessment Job. No. 2 - Utilities Construction

Industrial Park

East Grand Forks, MN

Roll 328

Roll 329

Roll 330

Roll 331

| PARCEL No.                                   | OWNER                      | DESCRIPTION       | Watermain       |                                       | Sanitary Sewer  |                                       | Storm Sewer       |  | Street Construction |                                       | TOTAL ASSESSMENT BEFORE INTEREST |
|--|----------------------------|-------------------|-----------------|---------------------------------------|-----------------|---------------------------------------|-------------------|--|---------------------|---------------------------------------|----------------------------------|
|  |                            |                   | FRONT FOOTAGE   | \$ FRONT FOOTAGE BENEFIT<br>\$5.85951 | FRONT FOOTAGE   | \$ FRONT FOOTAGE BENEFIT<br>\$8.24541 | SQUARE FOOTAGE    | \$ SQUARE FOOTAGE BENEFIT<br>\$0.02037 | FRONT FOOTAGE       | \$ FRONT FOOTAGE BENEFIT<br>\$8.95157 |                                  |
| <b>INDUSTRIAL PARK 2ND ADDITION</b>          |                            |                   |                 |                                       |                 |                                       |                   |  |                     |                                       |                                  |
| R 83.04277.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-001 Block-001 | 123.26          | \$722.24                              | 123.26          | \$1,016.32                            | 38,210.60         | \$778.20                               | 123.26              | \$1,103.37                            | \$3,620.13                       |
| R 83.04278.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-002 Block-001 | 111.00          | \$650.41                              | 111.00          | \$915.24                              | 34,410.00         | \$700.79                               | 111.00              | \$993.62                              | \$3,260.06                       |
| R 83.04279.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-003 Block-001 | 111.00          | \$650.41                              | 111.00          | \$915.24                              | 34,410.00         | \$700.79                               | 111.00              | \$993.62                              | \$3,260.06                       |
| R 83.04280.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-004 Block-001 | 111.00          | \$650.41                              | 111.00          | \$915.24                              | 34,410.00         | \$700.79                               | 111.00              | \$993.62                              | \$3,260.06                       |
| R 83.04281.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-005 Block-001 | 112.00          | \$656.27                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.44                       |
| R 83.04282.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-006 Block-001 | 108.74          | \$637.16                              | 108.74          | \$896.60                              | 33,709.40         | \$686.53                               | 108.74              | \$973.39                              | \$3,193.68                       |
| R 83.04283.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-007 Block-001 | 112.00          | \$656.27                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.44                       |
| R 83.04284.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-008 Block-001 | 112.00          | \$656.27                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.44                       |
| R 83.04285.00                                | PLOYHART PROPERTIES, LLC   | Lot-009 Block-001 | 112.00          | \$656.26                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.43                       |
| R 83.04286.00                                | PLOYHART PROPERTIES, LLC   | Lot-010 Block-001 | 116.86          | \$684.73                              | 116.86          | \$963.56                              | 36,226.60         | \$737.79                               | 116.86              | \$1,046.08                            | \$3,432.16                       |
| R 83.04287.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-001 Block-002 | 123.26          | \$722.23                              | 123.26          | \$1,016.32                            | 38,210.60         | \$778.20                               | 123.26              | \$1,103.37                            | \$3,620.12                       |
| R 83.04288.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-002 Block-002 | 111.00          | \$650.41                              | 111.00          | \$915.24                              | 34,410.00         | \$700.79                               | 111.00              | \$993.62                              | \$3,260.06                       |
| R 83.04289.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-003 Block-002 | 111.00          | \$650.41                              | 111.00          | \$915.24                              | 34,410.00         | \$700.79                               | 111.00              | \$993.62                              | \$3,260.06                       |
| R 83.04290.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-004 Block-002 | 111.00          | \$650.41                              | 111.00          | \$915.24                              | 34,410.00         | \$700.79                               | 111.00              | \$993.62                              | \$3,260.06                       |
| R 83.04291.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-005 Block-002 | 112.00          | \$656.27                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.44                       |
| R 83.04292.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-006 Block-002 | 108.74          | \$637.16                              | 108.74          | \$896.60                              | 33,709.40         | \$686.53                               | 108.74              | \$973.39                              | \$3,193.68                       |
| R 83.04293.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-007 Block-002 | 112.00          | \$656.27                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.44                       |
| R 83.04294.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-008 Block-002 | 112.00          | \$656.27                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.44                       |
| R 83.04295.00                                | R J ZAVORAL & SONS INC     | Lot-009 Block-002 | 112.00          | \$656.26                              | 112.00          | \$923.49                              | 34,720.00         | \$707.10                               | 112.00              | \$1,002.58                            | \$3,289.43                       |
| R 83.04296.00                                | R J ZAVORAL & SONS INC     | Lot-010 Block-002 | 116.86          | \$684.73                              | 116.86          | \$963.56                              | 36,226.60         | \$737.79                               | 116.86              | \$1,046.08                            | \$3,432.16                       |
| <b>SUBTOTAL INDUSTRIAL PARK 2ND ADDITION</b> |                            |                   | <b>2,259.72</b> | <b>\$13,240.85</b>                    | <b>2,259.72</b> | <b>\$18,632.32</b>                    | <b>700,513.20</b> | <b>\$14,266.58</b>                     | <b>2,259.72</b>     | <b>\$20,228.04</b>                    | <b>66,367.79</b>                 |
| <b>GRAND TOTAL</b>                           |                            |                   | <b>2,259.72</b> | <b>\$13,240.85</b>                    | <b>2,259.72</b> | <b>\$18,632.32</b>                    | <b>700,513.20</b> | <b>\$14,266.58</b>                     | <b>2,259.72</b>     | <b>\$20,228.04</b>                    | <b>66,367.79</b>                 |

**2011 Assessment Job. No. 3 - Paving  
EAST GRAND FORKS, MINNESOTA**

|                                    |  | <b>Paving</b> |                                  |
|------------------------------------|--|---------------|----------------------------------|
| Construction Cost                  |  |               | \$337,926.50                     |
| Plans & Specifications             |  |               | \$35,667.78                      |
| Staking & Inspection               |  |               | \$17,081.50                      |
| Administration                     |  |               | \$10,137.80                      |
| Assessment Roll                    |  |               | \$3,379.27                       |
| <b>TOTAL</b>                       |  |               | <u><b>\$404,192.85</b></u>       |
| Federal Share                      |  |               | (\$183,660.56)                   |
| State Share                        |  |               | (\$122,500.00)                   |
| <b>TOTAL TO BE ASSESSED</b>        |  |               | <b>\$98,032.29</b>               |
| <b>FRONT FOOTAGE</b>               |  |               |                                  |
| INDUSTRIAL PARK 2ND ADDITION       |  |               | 2,259.72                         |
| <b>TOTAL</b>                       |  |               | <b>2,259.72</b>                  |
| <b>ASSESSMENT RATE</b>             |  |               | <b>\$43.38249 per FRONT FOOT</b> |
| <b>TOTAL AMOUNT TO BE ASSESSED</b> |  |               | <b>\$98,032.29</b>               |

**2011 Assessment Job. No. 3 - Street Improvements  
Industrial Park  
East Grand Forks, MN**

Roll 332

| PARCEL No.                                   | OWNER                      | DESCRIPTION       | Paving          |  | TOTAL ASSESSMENT BEFORE INTEREST |
|--|----------------------------|-------------------|-----------------|--|----------------------------------|
|  |                            |                   | FRONT FOOTAGE   | \$ FRONT FOOTAGE BENEFIT<br>\$43.38249 |                                  |
| <b>INDUSTRIAL PARK 2ND ADDITION</b>          |                            |                   |                 |  |                                  |
| R 83.04277.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-001 Block-001 | 123.26          | \$5,347.32                             | \$5,347.32                       |
| R 83.04278.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-002 Block-001 | 111.00          | \$4,815.46                             | \$4,815.46                       |
| R 83.04279.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-003 Block-001 | 111.00          | \$4,815.46                             | \$4,815.46                       |
| R 83.04280.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-004 Block-001 | 111.00          | \$4,815.46                             | \$4,815.46                       |
| R 83.04281.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-005 Block-001 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04282.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-006 Block-001 | 108.74          | \$4,717.40                             | \$4,717.40                       |
| R 83.04283.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-007 Block-001 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04284.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-008 Block-001 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04285.00                                | PLOYHART PROPERTIES, LLC   | Lot-009 Block-001 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04286.00                                | PLOYHART PROPERTIES, LLC   | Lot-010 Block-001 | 116.86          | \$5,069.68                             | \$5,069.68                       |
| R 83.04287.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-001 Block-002 | 123.26          | \$5,347.32                             | \$5,347.32                       |
| R 83.04288.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-002 Block-002 | 111.00          | \$4,815.46                             | \$4,815.46                       |
| R 83.04289.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-003 Block-002 | 111.00          | \$4,815.46                             | \$4,815.46                       |
| R 83.04290.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-004 Block-002 | 111.00          | \$4,815.46                             | \$4,815.46                       |
| R 83.04291.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-005 Block-002 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04292.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-006 Block-002 | 108.74          | \$4,717.41                             | \$4,717.41                       |
| R 83.04293.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-007 Block-002 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04294.00                                | EGF ECONOMIC DEV AUTHORITY | Lot-008 Block-002 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04295.00                                | R J ZAVORAL & SONS INC     | Lot-009 Block-002 | 112.00          | \$4,858.84                             | \$4,858.84                       |
| R 83.04296.00                                | R J ZAVORAL & SONS INC     | Lot-010 Block-002 | 116.86          | \$5,069.68                             | \$5,069.68                       |
| <b>SUBTOTAL INDUSTRIAL PARK 2ND ADDITION</b> |                            |                   | <b>2,259.72</b> | <b>98,032.29</b>                       | <b>98,032.29</b>                 |
| <b>GRAND TOTAL</b>                           |                            |                   | <b>2,259.72</b> | <b>98,032.29</b>                       | <b>98,032.29</b>                 |

# Request for Council Action

Date: October 16, 2014

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Chad Grassel, Dale Helms, Mark Olstad, Henry Tweten and Clarence Vetter.

Cc: File

From: Dave Aker

RE: Contract for High School to use facilities

---

Background: Contract for the High School to use the Civic Center, VFW and Blue Line Arenas during the school year. Also includes after prom party, physical education classes and soccer program has used Nash Park and the VFW Arena.

Recommendation: To sign the contract and send a copy to the school.

Enclosures: Contract included.

**EAST GRAND FORKS  
CIVIC RECREATION CENTER AND VFW MEMORIAL ARENA  
LEASE AGREEMENT**

This Agreement entered into this 20<sup>th</sup> day of September, 2014, by and between the City of East Grand Forks, Minnesota, a municipal corporation (hereinafter referred to as "Lessor"), and Independent School District No. 595, East Grand Forks, Minnesota (hereinafter referred to as "Lessee").

**WHEREAS**, Lessor is the owner of the certain buildings and grounds commonly known as the East Grand Forks Civic Recreation Center and VFW Memorial Arena which have facilities for making artificial ice, together with ice maintenance equipment, locker rooms, and other facilities commonly used in the sport of hockey; said facilities and space being amendable for many other school activities, such as but not limited to, physical education classes, soccer, dances, graduation exercises, and other activities; and

**WHEREAS**, Lessee desires to enter into a Lease Agreement with Lessor, wherein and whereby Lessee shall have the right to use said Civic Recreation Center and VFW Memorial Arena during the school year of the fall of 2014, for school activities, at such times and for such rental payments and terms and conditions as hereinafter set forth;

**NOW THEREFORE**, in consideration of the covenants and promises contained herein, the parties hereto do now hereby agree as follows, to-wit:

That the Lessor shall lease the said Civic Recreation Center and VFW Memorial Arena to Lessee for the 2014-2015 school year, the school year normally being considered as being from August 15<sup>th</sup> to June 15 of the following year, for the consideration of \$100,000.00;

**IT IS HEREBY FURTHER AGREED** by and between the parties hereto as follows, to-wit:

**I. Lessor shall:**

A. During the school year period as defined above, permit the Lessee to schedule its School activities in the Civic Recreation Center and VFW Memorial Arena, said scheduling being subject to the following conditions.

1. Lessee shall have first priority in scheduling the boys and girls varsity hockey games. Junior varsity for boys are included in the above priority position when preliminary to the varsity games. When junior varsity games are not preliminary games, scheduling of the same shall be scheduled at the convenience of the parties hereto.

2. Lessee hockey team practice for all teams shall not exceed four and one-half (4 ½) hours on any one day, with such practice terminating no later than 7:00 p.m. or as agreed.
  3. In addition to scheduling hockey games and practices, as hereinbefore provided, the Lessee may schedule, subject to the approval and advice of the Lessor's Superintendent of Parks and Recreation, any and/or all of the following activities of the Lessee, to-wit: graduation ceremonies, physical education classes, dances, and such other school activities as may be conveniently scheduled.
- B. Lessor shall provide all maintenance for the building, machinery and ancillary facilities, together with heat and utilities.
  - C. Lessor shall have sole control over the sale of merchandise, advertising and concession stands providing food and refreshments for the participants and spectators.

**II. Lessee shall:**

- A. Pay the rents as hereinbefore set forth. The first half of the payment is due and payable no later than January 15, 2015. The remaining balance shall be payable no later than April 15, 2015.
- B. Provide and pay the cost of all security personnel necessary for policing activities conducted by the Lessee, and shall be solely responsible for the supervision and control of the participants and spectators at any event under Lessee's sponsorship.
- C. Provide all first aid equipment and personnel to provide on site medical assistance to include but not limited to the participants, spectators and volunteers at any event under the Lessee's sponsorship.
- D. Be solely responsible for the supervision and control of its volunteers and it is strongly recommended by the Lessor that if said volunteers are working directly with children that background checks be performed in accordance with "The Minnesota Child Protection Act (MN Stat. 299C)". Any volunteers provided by the Lessee are not "City Volunteers" and are acting on behalf of the Lessee and **ARE NOT** acting on behalf of the Lessor.

- E. At its discretion provide medical and accident coverage for injuries to participants involved in any event under the Lessee's sponsorship. Further, the Lessee shall provide liability insurance to cover any injuries to third parties as a result of the actions of the employees, volunteers, participants and/or the Lessee's agents and representatives at any event under the Lessee's sponsorship.
- F. Not allow discrimination of any kind, no person or organization at any Lessee sponsored event shall in any way be favored or discriminated against because of race, color creed, age, religion, marital status, sex, political opinion or affiliation, disability, sexual orientation, or welfare assistance status.
- G. Be responsible for maintaining the Green Wave locker room for boys and girls.
- H. That Lessee does hereby agree to defend, save, hold harmless, and indemnify the Lessor from and against all liability, damage loss, claims, dements and actions of any nature whatsoever which arise out of or are connected with, or are claims to arise out of or be connected with the use of the Civic Recreation Center and VFW Memorial Arena or any other Recreational facility owned by the Lessor and used by the Lessee as set forth in the Agreement or otherwise.
- I. The Lessee does NOT allow players to be unsupervised in the arenas without a coach or an adult volunteer that is school appointed at all times.

III. **Fire and Property Insurance.**

- A. Lessor shall secure and pay for insurance coverage upon the Premises for fire, windstorm, and the risks covered by extended coverage; Lessee shall secure and pay for such insurance coverage upon its own property, furniture, fixtures, inventory or other risks as it, in its discretion, shall determine.
- B. Lessee shall not permit any operation to be conducted on the premises that would cause suspension or cancellation or a premium increase of any insurance coverage secured by Lessor.
- C. Any insurance secured by Lessor covering the perils of fire, windstorm, and extended coverage, and insuring the Premises against loss or damage shall be for the sole benefit of Lessor and the policy shall be under its sole control.

IV. **Waiver of Subrogation.**

Each party hereto waives any and every claim which arises or may arise in its favor and against the other party hereto during the term of this Lease or any renewal or extensions thereof for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of the Premises leased to Lessee hereunder, which loss or damage is covered by valid and collectable fire, windstorm, tornado or extended coverage insurance policies, to, and only to, the extent that such loss or damage is recoverable under said insurance policies. Said mutual waivers shall be in addition to, and not in limitation or derogation of, any other waivers or release contained in this Lease with respect to loss of, or damage to, property of the parties hereto. Because the above mutual waivers preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person) each party hereto agrees immediately to give to the insurance company which has issued its policies of fire, tornado, windstorm or extended coverage insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

V. **Destruction or condemnation of premises.**

If the Premises are partially destroyed in a manner that prevents the conducting of Lessee's use of the Premises in a normal manner, and if the damage is reasonably repairable within sixty days after the occurrence of the destruction Lessor shall repair the Premises and lease payments shall

abate during the period of the repair. However, if the damage is not repairable within sixty days, or if Lessor is prevented from repairing the damage by forces beyond Lessor's control, or if the property is condemned, this Lease shall terminate upon twenty days' written notice of such event or condition by either party.

**VI. Government Data Practices Act.**

Numerous types of data are categorized as private, non-public, or confidential under the Minnesota Government Data Practices Act. In many circumstances, data may not be disclosed except with authorization of the subject of the data or pursuant to court order. To ensure that the Data Practices Act is not violated, the parties to this lease agreement are strictly prohibited from disclosing to a third party, any personnel data, data relating to pending civil legal actions, or any other data that might be classified as private, non-public, or confidential without the Lessor's express authorization.

**VII. Assignment, Amendments, Waiver, and Contract Complete.**

- A. Assignment. The Lessee may neither assign nor transfer any rights or obligations under this agreement without the prior consent of the Lessor and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- B. Amendments. Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- C. Waiver. If the Lessor fails to enforce any provision of this agreement, that failure does not waive the provision or its right to enforce it.
- D. Contract Complete. This agreement contains all negotiations and agreements between the Lessor and the Lessee. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.



# Request for Council Action

Date: 10/15/14

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: David Murphy, City Administrator

RE: Transfer of the Housing Voucher Program

---

The EDHA Board over the last few months has looked into transferring the housing voucher program to the Northwest Minnesota Multi-County Housing Authority (NWMHC) based out of Mentor. After much consideration they have decided to move forward with this transfer which will be taking affect on January 1<sup>st</sup>.

Two main reasons why this transfer was approved include that HUD, the federal entity that funds the voucher program, has been cutting back on funds for administration costs to run the program and transfer of the housing program will allow the new director to focus on economic development.

With this transfer the NWMHC will be leasing an office at City Hall. At this time terms of the agreement have not been completed. They have indicated they would like to have a five to ten year lease. They are going to keep a presence in the City for the clients. The Housing staff has been informed and is aware that they will be laid off at the end of the year. All of them will all have the opportunity to apply for the positions under NWMHC.

There has been a request that the City Council also pass a resolution in support of this transfer. Included is the resolution that was passed by the EDHA Board and a resolution for the council to consider.

**RESOLUTION NO. 14-EDA-03**

**Authorizing the Voluntary Transfer of Operation of the  
Section 8 Program in East Grand Forks**

Board Member Grassel, supported by Board Member Hecht, introduced the following resolution and moved its adoption:

WHEREAS, Northwest Minnesota Multi-County Housing and Redevelopment Authority (Multi-County HRA) and the East Grand Forks Economic Development Authority (EDHA), mutually desire to move forward with a voluntary transfer of the Section 8 Housing Choice Voucher program (as defined in Subd. 24 of Minnesota Statutes, Section 469.002) in the City of East Grand Forks (City);

WHEREAS, Minnesota Statutes (as defined in Subd. 24 of Minnesota Statutes, Section 469.002) allows the respective authorities by resolution, to authorize the Multi-County HRA to exercise its powers to operate a Section 8 programs within the City;

NOW THEREFORE, IT IS RESOLVED that, upon Authorization in the City, the Multi-County HRA is authorized and directed to pursue the voluntary transfer of the Section 8 program from the City to Multi-County HRA as allowed under Minnesota statutes and HUD regulations.

*Voting Aye: Hecht, Knoff, Larson, Olstad, Grassel, and Wogaman.*

*Voting Nay: None.*

*Absent: Shea.*

The Board President declared the resolution passed.

Passed: September 30, 2014

Attest:

\_\_\_\_\_  
Secretary of the Board

\_\_\_\_\_  
President of Board

Certification:

I, David Murphy, the Interim Executive Director of the East Grand Forks Economic Development do hereby certify that the attached Resolution No. 14-EDA-03 is a true and exact copy as part of the September 30, 2014 EDHA Board Special Meeting as duly adopted by the Board members of the Economic Development/Housing Authority Board and is still in force and effect.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Interim Executive Director

**RESOLUTION NO. 14 – 10 - 99**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

WHEREAS, Northwest Minnesota Multi-County Housing and Redevelopment Authority (Multi-County HRA), the East Grand Forks Economic Development Authority (EDHA), and the City of East Grand Forks mutually desire to move forward with a voluntary transfer of the Section 8 Housing Choice Voucher program (as defined in Subd. 24 of Minnesota Statutes, Section 469.002) in the City of East Grand Forks (City);

WHEREAS, Minnesota Statutes (as defined in Subd. 24 of Minnesota Statutes, Section 469.002) allows the respective authorities by resolution, to authorize the Multi-County HRA to exercise its powers to operate a Section 8 programs within the City;

NOW THEREFORE, IT IS RESOLVED that, upon Authorization in the City, the Multi-County HRA is authorized and directed to pursue the voluntary transfer of the Section 8 program from the City to Multi-County HRA as allowed under Minnesota statutes and HUD regulations.

*Voting Aye:*

*Voting Nay:*

*Absent:*

The President declared the resolution passed.

Passed: October 21, 2014

Attest:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 21<sup>st</sup> day of October, 2014.

\_\_\_\_\_  
Mayor

# Request for Council Action

Date: October 9, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Karla Anderson

RE: Selection of Auditing Services for the years 2014, 2015 and 2016

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## Background:

The council directed a Request for Proposals for Auditing services for the years ending December 31, 2014, 2105 and 2016, with an option of extending for another three years. Three proposals were received.

A committee consisting of Council man Clarence Vetter, City Administrator David Murphy, Water and Light Commissioner Marilynn Ogden, Water and Light General Manager Dan Boyce, and Finance Director Karla Anderson reviewed the three proposals.

## Recommendation:

The committee has submitted two proposals for the council to review and to select of one of the Certified Public Accounting firms.

**RESOLUTION NO. 14 – 10 - 100**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

WHEREAS, the City of East Grand Forks does not have a current contract with an auditing firm;

WHEREAS, staff sent out an Request for Proposals (RFP) to collect proposals for auditing services for both the City and the Water & Light Department;

WHEREAS, a committee was formed to review the proposals and bring forward the proposals that met qualifications set in the RFP;

NOW THEREFORE BE IT RESOLVED that the City Council of the City of East Grand Forks, Minnesota accepts the proposal from \_\_\_\_\_ and will enter into a three year agreement for auditing services to be signed by the Mayor and City Administrator.

*Voting Aye:*

*Voting Nay:*

*Absent:*

The President declared the resolution passed.

Passed: October 21, 2014

Attest:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 21<sup>st</sup> day of October, 2014.

\_\_\_\_\_  
Mayor



August 28, 2014

Proposal for Auditing Services

## City of East Grand Forks

Brian Stavenger, CPA

Eide Bailly LLP

4310 17<sup>th</sup> Ave S

Fargo, ND 58108

701.239.8518 (p)

701.239.8600 (f)



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## Executive Summary

Thank you for giving Eide Bailly LLP the opportunity to propose on audit services for the City of East Grand Forks. We believe that, in addition to a professional audit experience at a reasonable price, we can provide true value to you as a client through:

- **A fresh perspective.** We believe in the importance of having a fresh set of eyes review your financial statements. The team we have chosen for you have dedicated their careers to government work. They understand the issues you face and know what it take to perform a timely, accurate city audit. Further, we have developed an Engagement Quality Review (EQR) process, which enables partners throughout the Firm to provide a technical review of the audit. This ensures a fresh look at your audit, allowing you to avoid the hassle and stress an audit transition can cause.
- **Accessibility and true client service.** You will have access to our staff throughout the year, not just during the audit. Plus, you won't have to worry about who you'll work with next. We believe in a team approach, where you will be in communication with every staff level involved in your audit engagement, from partner to associate. We have a high staff retention rate, leading to strong and stable business relationships.
- **Efficiency.** We know the disruption having auditors on-site can cause to the City's staff. Our goal is to minimize the amount of time spent onsite and thus minimize interruptions to your staff. We try to accomplish as much in our office as possible, making use of electronic means of obtaining information from your staff for the audit procedures performed.
- **Experienced professionals.** Our professionals are highly skilled and knowledgeable about the government industry. Further, these individuals have experience providing audited financial statements for both a city government and the city's water and light department, as this is what we have provided to the City of Moorhead, a client since 1986. We will provide you with an executive summary as well as a timely audit report. This summary is designed to ensure you have all the information you need in a concise format that's more manageable as you're making valuable decisions on behalf of the City of East Grand Forks and its Water and Light Department.



## Letter of Transmittal

We believe Eide Bailly is the right firm for City of East Grand Forks for the following reasons:

### **Experienced Professionals**

We are loyal to serving our government clients, which range from small local governments to large state agencies and nearly every type of non-profit organization. Eide Bailly annually performs more than 90,000 service hours for more than 450 governmental clients. Our team members are truly engaged in this industry and are well positioned in organizations associated with governmental entities.

You can rest assured that our experienced professionals understand the services requested by the City of East Grand Forks. The team we have chosen to work with your organization has extensive understanding of the auditing standards associated with government entities. They will work diligently to audit and prepare timely financial statements for the City of East Grand Forks and prepare the financial statements for the Water and Light Department for the same period, all while meeting your deadlines.

### **Local Contacts, National Resources**

We are confident the City of East Grand Forks will benefit from working with Eide Bailly. Founded in 1917, Eide Bailly is a Top 25 CPA Firm in the nation, with 24 offices in 11 states. Headquartered in Fargo, North Dakota, our clients benefit from local, personal service and, at the same time, enjoy access to 1,400 professionals with diverse skill sets and experiences. Eide Bailly is a properly licensed, certified public accountant firm.

### **We Will Meet Your Deadlines**

We would be proud to work with the City of East Grand Forks. We understand the issues you face and our professionals are ready to anticipate, identify and respond to your needs in a timely manner. We will comply with the schedules and scope for the audit, as outlined in our discussions with management, and will perform all work within the timeframes outlined. We will meet your deadlines and you can expect timely delivery in order to ensure adequate time for review.

## Why Choose Eide Bailly

The governmental sector is one of the largest industries we serve, and we have a dedicated team with industry-specific knowledge you can rely on. Our team members are engaged in the industry and well-positioned in organizations associated with governmental entities. Because our professionals hold various leadership roles in the GFOA and AICPA at both national and local levels, including Government Audit Quality Center members, we are able to provide input into governmental accounting issues. In addition, every team member receives ongoing training to stay current on issues affecting city governments.

When you work with Eide Bailly, you'll work with competent and experienced professionals who understand city governments and are passionate about their work—and your success. Further, you'll work alongside a team of professionals who are passionate about connecting with our clients and sharing insight, regardless of seniority. Our professionals are dedicated to providing a quality experience throughout the client engagement, from efficient review of audited financials with limited time onsite to a fresh perspective on your audit report.

## Value for Fees

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would commence. In other words, there will be no hidden fees.

The fees contained in this proposal, and the information therein, are a firm and irrevocable offer for 60 days.

## We Want to Work with You

The following pages highlight our Firm's strengths and demonstrate why Eide Bailly merits serious consideration. Know that you will be a highly valued client. Our people would be proud to work with the City of East Grand Forks and build a trusting relationship with your team. Please contact me at 701.239.8518 or [bstavenger@eidebailly.com](mailto:bstavenger@eidebailly.com) if you would like to discuss any aspect of this proposal.

Sincerely,



Brian Stavenger, CPA  
Partner



## Independence

Our firm is independent of the City of East Grand Forks as defined by generally accepted auditing standards and Governmental Auditing Standards issued by the Comptroller General of the United States. None of the members of the Firm have a direct or indirect interest in the City of East Grand Forks.

The second general standard for auditing requires the audit organization and the auditors be free from personal and external impairments to independence. As defined by these standards, Eide Bailly is independent in fact and in appearance, and no relationships, either personal or professional, exist that would cause the Firm to be impartial in dealing with the City of East Grand Forks. In the past five years, Eide Bailly has had no professional relationships with the City of East Grand Forks.

## License to Practice in Minnesota

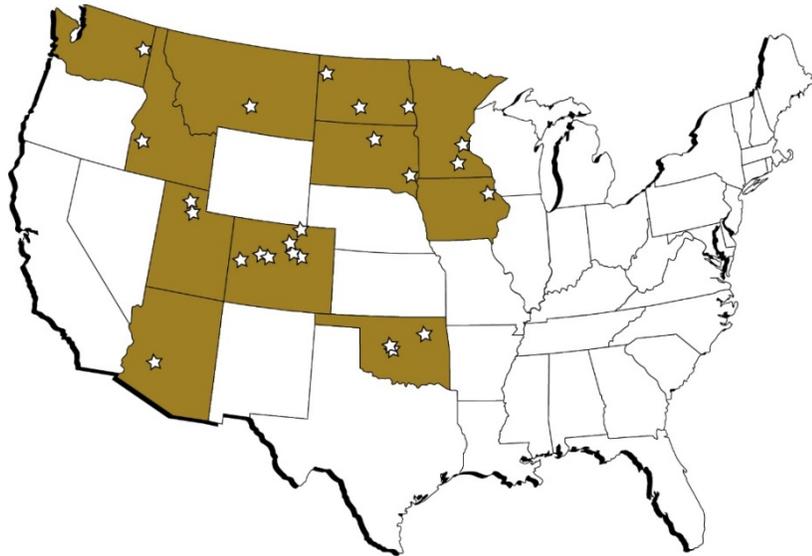
Eide Bailly and each of the professional staff assigned to the City of East Grand Forks are properly registered and licensed to practice in Minnesota.



## Firm Qualifications

### About Eide Bailly

When you work with Eide Bailly, your experience will be different than working with other CPA firms. Our professionals deliver genuine and insightful advice, and strive to become your trusted business advisors. Founded in 1917, Eide Bailly is a Top 25 CPA firm in the nation, with 24 offices in 11 states. Our clients benefit from local, personal service and, at the same time, enjoy access to 1,400 professionals with diverse skill sets and experiences.



### Your Engagement Team

You will work with a team from the Fargo office that has extensive experience and knowledge in the government industry. Many of these team members have spent their careers working in the government industry and they understand the intricacies of governmental audits. They are actively involved with the clients they serve, from associate to manager to partner.

Brian Stavenger will lead the team and serve as Engagement Partner; Derek Flanagan will serve as the senior manager; Jamie Fay will serve as the manager; Luke Evenson will serve as the in-charge auditor; and Eric Berman will serve as the Technical Review Partner. These professionals have strong credentials and a desire to work with the City of East Grand Forks. If awarded this engagement, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.



### At a Glance

- 40+ years of experience serving government clients
- More than 130 professionals dedicated to government clients
- Proactive communication of new government accounting standards

### Government Experience

Eide Bailly has more than 40 years of experience in the governmental industry and the governmental sector has grown to be one of the largest industries we serve. We assist 450 government clients across the U.S., including cities, counties, school districts, tribal entities, state agencies, fire relief agencies and housing authorities.

The Firm currently has over 130 professionals dedicated to government clients. Our team members are engaged in the industry and well-positioned in organizations associated with governmental entities. Because our professionals hold various leadership roles in the GFOA and AICPA at both national and local levels, including Government Audit Quality Center members, we are able to provide input into governmental accounting issues. In addition, every team member receives ongoing training to stay current on issues affecting the government industry.

One of these team members is Eric Berman, a trusted advisor to government agencies across the U.S. Eric helps government agencies to address GASB Standards, NCGA Statements and AICPA Statements of Position. He uses his more than 23 years of experience in Governmental accounting, auditing and controllership to guide his federal, state and local government clients and is a recognized speaker, author and thought leader on financial reporting for state and local governments.

### External Quality Control Review

A copy of our Firm's most recent peer review is included in Appendix C. We received a rating of pass and the quality review included several governmental engagements.

### Federal and/or State Desk Reviews of Audits

Pursuant to state-specific code, the Minnesota Department of Legislative Audit performs state desk reviews of certain Minnesota entity audited financial statements and field reviews of audited financial statements and supporting working papers on a regular basis. In addition, OMB Circular A-133 and federal grant agreements and contracts may also require the review of financial statements and/or working papers by a federal or state agency. As these reviews are conducted, Eide Bailly cooperates fully with the agency requiring such reviews. All reviews have been resolved satisfactorily. No disciplinary action has been taken or is currently pending against the Firm during the past three years by state regulatory bodies or professional organizations.



## Partner, Supervisory & Staff Qualifications

### **Brian Stavenger, CPA, Partner**



Brian Stavenger will serve as the engagement partner. He has more than 13 years in public accounting with experience in the government industry. Brian has conducted audits of cities throughout his career, including some of the largest cities in Minnesota, North Dakota, and South Dakota. A Firmwide resource on the government industry, Brian creates and facilitates government trainings for the Firm. He holds the Certified Public Accountant designation and is located in our Fargo, ND, office.

### **Derek Flanagan, CPA, Senior Manager**



Derek Flanagan will serve as the manager on the engagement. He has more than seven years in public accounting, providing audit, consulting and accounting services to a variety of industries with a primary focus in the government industry. Derek is a member of the GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program. He also serves as an instructor of Firmwide governmental training. Derek holds the Certified Public Accountant designation and is located in our Fargo, ND, office.

### **Jamie Fay, CPA, Manager**



Jamie Fay will serve as the manager on the engagement. She has more than five years in public accounting and spends the majority of her time on governmental audits. Jamie is a member of the conference planning committee for the League of Minnesota Cities. She holds the Certified Public Accountant designation and is located in our Fargo, ND, office.



### The Eide Bailly Difference

Our professionals deliver genuine and insightful advice beyond what is normally expected in the public accounting industry.

We are confident you will benefit from working with Eide Bailly.

#### **Luke Evenson, CPA, Senior Associate**



Luke Evenson will serve as the in-charge on the engagement. He has almost four years in public accounting and spends the majority of his time on governmental audits. He holds the Certified Public Accountant designation and is located in our Fargo, ND, office.

#### **Eric Berman, CPA, CGMA, Partner**



Eric Berman will serve as the technical review partner. He has more than 23 years of experience in governmental accounting, auditing and controllership and is a nationally recognized speaker, author and thought leader on financial reporting for state and local governments. He represents the Association of Government Accountants as the Vice Chairman of the Government Accounting Standards Advisory Council to the GASB. Eric holds the Certified Public Accountant and Chartered

Global Management Accountant designations and is located in our Boise, Idaho office.

#### **Assurance of Staff Quality over the Term of Agreement**

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a high retention rate, which provides stability in our business relationships. We have been successful in retaining our staff by providing a nurturing and caring environment—and by becoming the workplace of choice for 1,400 people.

In addition, our firm is ranked as a Top 15 best accounting firm in North America for quality of life and prestige by Vault.com's Accounting Firms Annual Rankings. When you work with Eide Bailly professionals, you can be certain that you are working with people who love what they do and take pride in where they work. We are dedicated to being there for your business now and into the future.

The team we have selected to serve the City of East Grand Forks is comprised of our best people. We have invested heavily in them and continue to provide challenging career opportunities for these talented professionals. Should there be a need to change one of the key members of the team, we will discuss this with management and gain your perspective on the proposed new team member before making a change.



## Similar Engagements

As a Top 25 CPA firm with 24 offices in 11 states, Eide Bailly is the firm of choice for 44,000 clients. We recently asked our clients what they valued most about their relationship with our Firm. Industry knowledge, attentive service, genuine advice and friendly people were just a few of the responses we received. Our clients are truly the best critics of our service. Listed below are several city clients who have similarities to the City of East Grand Forks as references. We encourage you to contact these clients to learn more about their Eide Bailly experiences.

We asked our clients to describe Eide Bailly ...

*“... invaluable to our success ... leading-edge experts ... resourceful in recommending strategies ... there for us ... treats us as a valued customer ... passionate about helping clients ... valued business advisors.”*

We encourage you to contact our clients so they can share their personal Eide Bailly experience with you.

### Client References

| Client Name   | Scope of Work           | Year-End | Partner         | Total Hours | Contact  |
|---|-------------------------|----------|-----------------|-------------|--|
| City of Moorhead, MN, including Moorhead Public Service issuing a separate report | Annual audit since 1986 | 12/31    | Brian Stavenger | 500         | Wanda Wagner – 218.299.5301<br>Nancy Lund – 218.477.8010 |
| City of Sioux Falls, SD   | Annual audit since 1995 | 12/31    | Brian Stavenger | 475         | Tracy Turbak – 605.367.8860                              |
| City of Fargo, ND   | Annual audit since 1995 | 12/31    | Brian Stavenger | 450         | Kent Costin – 701.241.1300                               |
| City of Wadena, MN  | Annual audit since 2012 | 12/31    | Brian Stavenger | 300         | Brad Swenson – 218.631.7707                              |
| City of Morris, MN  | Annual audit since 1991 | 12/31    | Brian Stavenger | 225         | Blaine Hill – 320.589.3141                               |

All of the above with the exception of the City of Morris have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for the most recent audit. The City of Morris has decided not to participate in the program.



# Specific Audit Approach

## Engagement Planning

We recognize each client is unique therefore, we tailor our services to meet the needs of each client. During the course of our audit services, we will hold periodic meetings with your management team. This continuous interchange of information is necessary to keep you fully informed and to provide us with timely information that will enable us to best serve your organization. Throughout the planning process, we will be in regular contact with your management team and accounting personnel to discuss:

- The engagement timeline
- The audit approach and process
- Additional considerations specific to your business that may affect scope, schedules and work papers to be prepared by your staff

Eide Bailly believes project management is one of the keys to success with any type of engagement and it begins with the planning process. To accomplish this, we have extensive team planning meetings. During those planning meetings we will look at the audits from a risk based approach. We plan to spend the majority of our time on material accounts surrounding the accounts receivable/revenue process as well as unbilled work in process.

We understand the interruption an audit causes to the daily activities of City staff. Through the use of paperless audit software we are able to complete the majority of the audit off-site – limiting the disruption to the City of East Grand Forks’ staff. The remainder of the audit will be completed through electronic file review and testing, just as if we were on-site the entire time.

## Engagement Timeline

Our audit approach is designed to collaborate with the City of East Grand Forks and achieve optimal results. The table below outlines a preliminary schedule:

| Engagement Timeline |                  |
|---------------------|------------------|
| Activity            | Timing           |
| Planning            | December/January |
| Fieldwork           | March/April      |
| Reporting           | May/June         |

Upon appointment as your auditor, we will discuss this preliminary schedule and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members’ time.



### Tailored Approach

At Eide Bailly, we do not use a “cookie-cutter” approach. We tailor our services to meet the unique needs of each client.

### Engagement Fieldwork

The following review of Eide Bailly’s audit approach represents the starting point from which a customized audit work plan would be developed for the audit of the City of East Grand Forks, should Eide Bailly be selected as your firm of choice.

We will use programs and checklists to document our understanding of your internal controls. This process also includes interviewing key personnel and re-performance of certain procedures to assure controls are in place and operating effectively.

Sampling may be performed for compliance testing and substantive tests of transactions. We will be pleased to discuss sample sizes and selection methods when they are determined, either during audit planning or during fieldwork. The use of external confirmations will also be utilized during our audit process.

During the fieldwork, the engagement partner and/or manager will supervise our audit team and provide on-going communication to management on the status of the work. We understand the disruption having audit staff onsite can cause so we work to keep our time onsite to a minimum, therefore eliminating disruptions to your staff.

### Reporting

Upon completion of the fieldwork we will issue draft reports to management and discuss any proposed journal entries with management, as well as any information we gather during the engagement regarding internal controls, compliance and suggestions to management. Upon approval of the draft report by management, we will present the final report consisting of going through the executive summary, which contains summarized information from the audited financial statements, as well as graphs and ratios.

### Accessibility

With 130 professionals dedicated to the government industry, we continue to stay abreast of current and upcoming issues affecting the government industry. We then share this information with you and can help you to address any challenges you may face. Ways we do this include:

- Government Insights e-newsletter, sent out quarterly.
- Continual, up-to-date information regarding new rules and regulations.
- Easily accessible staff who will answer your questions in a timely manner, generally within 24-hours.
- Governmental webinars or on-site trainings, like our Government Summit in January 2014 and our Governmental A&A Update in June 2014, both featuring Eric Berman.



## Identification of Anticipated Potential Audit Problems

Our audit procedures may uncover opportunities for improvements in areas such as accounting and financial controls, operations procedures, management information systems and business practices, and certain areas in general. Although these comments are not based on an in-depth study of the particular subject area or potential problem, management is often able to utilize this information in future decisions or actions. We will discuss any control deficiencies with the Audit Committee and finance personnel.

Frankly, we anticipate that potential audit problems will be raised by sources outside of the City of East Grand Forks and ourselves as GASB continues to issue new pronouncements. Heightened transparency and compliance issues are key issues in the governmental sector as well. However, we will resolve these issues through frequent communication with you, and by helping you with implementation issues, adjusting journal entries or communications with GASB or other regulatory agency staff. Again, discussions with the Audit Committee and finance personnel surrounding these accounting issues is key to finding solutions in these areas.



## Report Format

The reports you receive from Eide Bailly will look similar to the reports that you are accustomed to receiving from your current accounting firm.

However, we do provide an executive summary at the beginning of each of our audit reports. This summary contains summarized information from the audited financial statements, as well as graphs and ratios. We believe this help facilitate better understanding of the report for our clients. Further, it provides the necessary information in a manageable segment.

An example of the executive summary from the City of Moorhead has been sent to the finance director of the City of East Grand Forks for your review. This is just one example of the ways that our Eide Bailly professionals are thinking differently and concentrating on what is most important for our clients.



# Audit Schedule

Our audit approach is designed to collaborate with the City of East Grand Forks to achieve optimal results.

## **Planning – December/January**

- Gain knowledge of organization and environment
- Perform analytical procedures to identify audit risk areas
- Consider fraud through inquiry and brainstorming
- Develop audit budget by individual areas
- Determine audit procedures by area, based on results of audit planning
- Determine confirmation needs
- Prepare listing of audit information requested from organization

## **Office Work – March/April**

- Review minutes, resolutions and ordinances
- Perform tests of legal compliance
- Audit areas based on risk assessment
- Obtain and prepare schedule and analyses supporting the financial information
- Our goal is to minimize the amount of time spent onsite, and thus minimize interruptions and distractions to your staff. We try to accomplish as much in our office as possible, making use of electronic means of obtaining information from your staff for the audit procedures performed.

## **Fieldwork – March/April**

- Review internal controls
- Discuss findings with management
- Discuss proposed journal entries with management



## National Resources

When you work with Eide Bailly, you have access to 1,400 talented professionals across the Firm with diverse experiences, skill sets and expertise.

### Reporting – May/June

- Prepare draft of financial report, management letter, and executive summary
- Provide report to management for review and comment.
- Present final report to City which consists of going through the executive summary, which contains summarized information from the audited financial statements, as well as graphs and ratios. We believe this helps facilitate understanding and demonstrates our willingness to go the extra mile for our clients.

### Ongoing Communication: Throughout the year

- Obtain interim financial statements throughout the year for review
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up-to date with continuing changes

### Engagement Quality Review

We understand local, personal service is important to our clients. You will work with the team that has extensive knowledge and experience in the government industry. Because of Eide Bailly's Engagement Quality Review (EQR) process several new partners will be involved in the audit process over the next several years. These partners provide technical review and give the audit team a fresh look each year.



## Why Choose Eide Bailly

### **We Want to Work with the City of East Grand Forks**

When you do business with Eide Bailly your experience will be different than working with other CPA firms. Know that you are not “just another client,” but someone with whom we want to do business. By applying our focused experience and comprehensive capabilities, we will provide genuine advice to help you reach your business goals and transform challenges into new possibilities. Specifically, you will experience:

- Access to a cohesive audit team that works together through associate, partner and manage level to best serve the client.
- A Firm that prioritizes government engagements and encourages our professionals to focus their expertise in the government industry.
- A highly skilled team of individuals who have audited some of the largest cities in Minnesota, North Dakota and South Dakota.
- Audit services completed in a timely, efficient manner by a Firm that is independent of the City of East Grand Forks and licensed to practice in Minnesota.
- A fresh perspective on your audit and added value in Eide Bailly’s EQR process that ensures a fresh perspective throughout the audit engagement, not just in the first year.

Our people are excited about the opportunity to work with you and build a trusting relationship with your team. We look forward to working with the City of East Grand Forks.

# Appendix A – Proposer Warranties

## ATTACHMENT A PROPOSER WARRANTIES

Proposer warrants that it is willing and able to comply with State of Minnesota laws with respect to foreign (non-state) corporations.

Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City.

Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name (typed or printed): Brian Stavenger

Title: Partner

Firm: Eide Bailly LLP

Date: August 28, 2014

# Appendix B – Schedule of Professional Fees & Expenses

**ATTACHMENT B  
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2014 CITY'S FINANCIAL STATEMENTS**

| <b>Professional Fees</b>      |              |                                  |                                |              |
|-------------------------------|--------------|----------------------------------|--------------------------------|--------------|
|                               | <b>Hours</b> | <b>Standard<br/>Hourly Rates</b> | <b>Quoted<br/>Hourly Rates</b> | <b>Total</b> |
| <b>Partner</b>                | 20           | \$ 425                           | \$ 175                         | \$3,500      |
| <b>Manager</b>                | 40           | \$ 300                           | \$ 140                         | \$5,600      |
| <b>Supervisory Staff</b>      | 110          | \$ 225                           | \$ 105                         | \$11,550     |
| <b>Staff</b>                  | 82           | \$ 175                           | \$ 80                          | \$6,560      |
| <b>Other (Administrative)</b> | 8            | \$ 100                           | \$ 50                          | \$400        |
| <b>Subtotal:</b>              | 260          |                                  |                                | \$27,610     |

|   |  |  |  |         |
|---|--|--|--|---------|
| <b>Out-of-Pocket Expenses<br/>(Specify)</b> |  |  |  |         |
| <b>Meals, Lodging, and Mileage</b>          |  |  |  | \$1,000 |

|  |  |  |  |          |
|--|--|--|--|----------|
| <b>Total Not-To-Exceed Cost for the 2014 Audit</b> |  |  |  | \$28,610 |
|--|--|--|--|----------|

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2014 WATER AND LIGHT FINANCIAL STATEMENTS**

| <b>Professional Fees</b>      |              |                                  |                                |              |
|-------------------------------|--------------|----------------------------------|--------------------------------|--------------|
|                               | <b>Hours</b> | <b>Standard<br/>Hourly Rates</b> | <b>Quoted<br/>Hourly Rates</b> | <b>Total</b> |
| <b>Partner</b>                | 10           | \$ 425                           | \$ 175                         | \$1,750      |
| <b>Manager</b>                | 20           | \$ 300                           | \$ 140                         | \$2,800      |
| <b>Supervisory Staff</b>      | 65           | \$ 225                           | \$ 105                         | \$6,825      |
| <b>Staff</b>                  | 40           | \$ 175                           | \$ 80                          | \$3,200      |
| <b>Other (Administrative)</b> | 5            | \$ 100                           | \$ 50                          | \$250        |
| <b>Subtotal:</b>              | 140          |                                  |                                | \$14,825     |

|   |  |  |  |       |
|---|--|--|--|-------|
| <b>Out-of-Pocket Expenses<br/>(Specify)</b> |  |  |  |       |
| <b>Meals, Lodging, and Mileage</b>          |  |  |  | \$500 |

|  |  |  |  |          |
|--|--|--|--|----------|
| <b>Total Not-To-Exceed Cost for the 2014 Audit</b> |  |  |  | \$15,325 |
|--|--|--|--|----------|

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2015 CITY'S FINANCIAL STATEMENTS**

| <b>Professional Fees</b>      |              |                                  |                                |              |
|-------------------------------|--------------|----------------------------------|--------------------------------|--------------|
|                               | <b>Hours</b> | <b>Standard<br/>Hourly Rates</b> | <b>Quoted<br/>Hourly Rates</b> | <b>Total</b> |
| <b>Partner</b>                | 20           | \$ 425                           | \$ 175                         | \$3,500      |
| <b>Manager</b>                | 40           | \$ 300                           | \$ 140                         | \$5,600      |
| <b>Supervisory Staff</b>      | 110          | \$ 225                           | \$ 110                         | \$12,100     |
| <b>Staff</b>                  | 82           | \$ 175                           | \$ 85                          | \$6,970      |
| <b>Other (Administrative)</b> | 8            | \$ 100                           | \$ 50                          | \$400        |
| <b>Subtotal:</b>              | 260          |                                  |                                | \$28,570     |

|   |  |  |  |         |
|---|--|--|--|---------|
| <b>Out-of-Pocket Expenses<br/>(Specify)</b> |  |  |  |         |
| <b>Meals, Lodging, and Mileage</b>          |  |  |  | \$1,050 |

|  |  |  |  |          |
|--|--|--|--|----------|
| <b>Total Not-To-Exceed Cost for the 2015 Audit</b> |  |  |  | \$29,620 |
|--|--|--|--|----------|

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2015 WATER AND LIGHT FINANCIAL STATEMENTS**

| <b>Professional Fees</b>      |              |                                  |                                |              |
|-------------------------------|--------------|----------------------------------|--------------------------------|--------------|
|                               | <b>Hours</b> | <b>Standard<br/>Hourly Rates</b> | <b>Quoted<br/>Hourly Rates</b> | <b>Total</b> |
| <b>Partner</b>                | 10           | \$ 425                           | \$ 175                         | \$1,750      |
| <b>Manager</b>                | 20           | \$ 300                           | \$ 140                         | \$2,800      |
| <b>Supervisory Staff</b>      | 65           | \$ 225                           | \$ 110                         | \$7,150      |
| <b>Staff</b>                  | 40           | \$ 175                           | \$ 85                          | \$3,400      |
| <b>Other (Administrative)</b> | 5            | \$ 100                           | \$ 50                          | \$250        |
| <b>Subtotal:</b>              | 140          |                                  |                                | \$15,350     |

|   |  |  |  |       |
|---|--|--|--|-------|
| <b>Out-of-Pocket Expenses<br/>(Specify)</b> |  |  |  |       |
| <b>Meals, Lodging, and Mileage</b>          |  |  |  | \$525 |

|  |  |  |  |          |
|--|--|--|--|----------|
| <b>Total Not-To-Exceed Cost for the 2015 Audit</b> |  |  |  | \$15,875 |
|--|--|--|--|----------|

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2016 CITY'S FINANCIAL STATEMENTS**

| <b>Professional Fees</b>      |              |                                  |                                |                 |
|-------------------------------|--------------|----------------------------------|--------------------------------|-----------------|
|                               | <b>Hours</b> | <b>Standard<br/>Hourly Rates</b> | <b>Quoted<br/>Hourly Rates</b> | <b>Total</b>    |
| <b>Partner</b>                | 20           | \$ 425                           | \$ 185                         | \$3,700         |
| <b>Manager</b>                | 40           | \$ 300                           | \$ 150                         | \$6,000         |
| <b>Supervisory Staff</b>      | 110          | \$ 225                           | \$ 110                         | \$12,100        |
| <b>Staff</b>                  | 82           | \$ 175                           | \$ 90                          | \$7,380         |
| <b>Other (Administrative)</b> | 8            | \$ 100                           | \$ 50                          | \$400           |
| <b>Subtotal:</b>              | <b>260</b>   |                                  |                                | <b>\$29,580</b> |

|   |  |  |  |                |
|---|--|--|--|----------------|
| <b>Out-of-Pocket Expenses<br/>(Specify)</b> |  |  |  |                |
| <b>Meals, Lodging, and Mileage</b>          |  |  |  | <b>\$1,100</b> |

|  |  |  |  |                 |
|--|--|--|--|-----------------|
| <b>Total Not-To-Exceed Cost for the 2016 Audit</b> |  |  |  | <b>\$30,680</b> |
|--|--|--|--|-----------------|

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2016 WATER AND LIGHT FINANCIAL STATEMENTS**

| <b>Professional Fees</b>      |              |                                  |                                |              |
|-------------------------------|--------------|----------------------------------|--------------------------------|--------------|
|                               | <b>Hours</b> | <b>Standard<br/>Hourly Rates</b> | <b>Quoted<br/>Hourly Rates</b> | <b>Total</b> |
| <b>Partner</b>                | 10           | \$ 425                           | \$ 185                         | \$1,850      |
| <b>Manager</b>                | 20           | \$ 300                           | \$ 150                         | \$3,000      |
| <b>Supervisory Staff</b>      | 65           | \$ 225                           | \$ 110                         | \$7,150      |
| <b>Staff</b>                  | 40           | \$ 175                           | \$ 90                          | \$3,600      |
| <b>Other (Administrative)</b> | 5            | \$ 100                           | \$ 50                          | \$250        |
| <b>Subtotal:</b>              | 140          |                                  |                                | \$15,850     |

|   |  |  |  |       |
|---|--|--|--|-------|
| <b>Out-of-Pocket Expenses<br/>(Specify)</b> |  |  |  |       |
| <b>Meals, Lodging, and Mileage</b>          |  |  |  | \$550 |

|  |  |  |  |          |
|--|--|--|--|----------|
| <b>Total Not-To-Exceed Cost for the 2016 Audit</b> |  |  |  | \$16,400 |
|--|--|--|--|----------|

**SUMMARY SCHEDULE**

| <b><u>YEAR</u></b> | <b><u>NOT-TO-EXCEED AMOUNT</u></b> |
|--------------------|------------------------------------|
| 2014               | <u>\$43,935</u>                    |
| 2015               | <u>\$45,495</u>                    |
| 2016               | <u>\$47,080</u>                    |
| <b>GRAND TOTAL</b> | <b><u><u>\$136,510</u></u></b>     |

# Appendix C – Quality Control Review



## System Review Report

To the Partners of  
Eide Bailly LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to non-SEC issuers in effect for the year ended July 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

*Cherry, Bekaert + Holland, LLP*

Cherry, Bekaert & Holland, L.L.P.  
November 21, 2011



# CULTURE

## The Foundation of Success

Caring for our external and internal clients  
with a passion to go the extra mile.

Respecting our peers and their  
individual contributions.

Conducting ourselves with the highest level  
of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success  
of the Firm, not just individual or office success.

Stretching ourselves to be innovative and  
creative, while managing the related risks.

Recognizing the importance of maintaining  
a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ...  
and having fun!



[www.eidebailly.com](http://www.eidebailly.com)

Proposal for Professional Auditing Services  
to be Performed for:



&

THE CITY OF EAST GRAND FORKS  
WATER & LIGHT



EAST GRAND FORKS, MINNESOTA

Submitted By:

**BRADY, MARTZ & ASSOCIATES, P.C.**

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**BRADY  
MARTZ**

CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

August 25, 2014

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CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

## LETTER OF TRANSMITTAL

Ms. Karla Anderson, CPA, Finance Director  
City of East Grand Forks  
600 DeMers Ave NW  
East Grand Forks, MN 56721

Dear Ms. Anderson:

We are pleased to submit the following proposal for audit services to the City of East Grand Forks, Minnesota and its Water and Light Department for the years ending December 31, 2014, 2015 and 2016. We understand that these audits will be performed in accordance with auditing standards generally accepted in the United States of America, standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the provisions of the Minnesota Legal Compliance Guide, and the provisions of the federal Single Audit Act, if applicable.

We have reviewed the time requirements as listed in your request for proposal and are committed to meet those requirements. Page 30 of this proposal details our understanding of the time requirements.

Brady Martz & Associates, P.C. is a leading governmental service provider. We have been working in the Governmental industry for more than 80 years. We believe we are best qualified to perform the engagements because of our experience in working with governmental clients and with providing technical assistance to clients that prepare Comprehensive Annual Financial Reports (CAFR). All staff members that will be assigned to the audits work primarily with governmental clients, giving them the technical skills and experience needed to provide quality services. In addition, our firm is a member of the Government Finance Officers Association (GFOA) and the AICPA's Government Audit Quality Center (GAQC).

Our firm works with and provides technical assistance to several clients that prepare Comprehensive Annual Financial Reports, including the State of North Dakota. Also, Janelle Mulroy and Joe Martin both serve on the GFOA's Special Review Committee where they review CAFR's of entities applying for a Certificate of Excellence in Governmental Financial Reporting.

The person authorized to make representation and to bind the proposal for Brady, Martz & Associates, P.C. is:

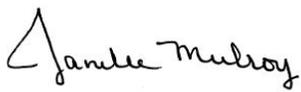
Janelle Mulroy, Shareholder  
P.O. Box 14296  
Grand Forks, ND 58206-4296  
Telephone No. 775-4685

This constitutes a firm and irrevocable offer for 60 days from the date of this proposal.

We thank you for considering our firm and hope to work with you on this engagement.

Sincerely,

**BRADY, MARTZ & ASSOCIATES, P.C.**

BY   
\_\_\_\_\_  
Janelle Mulroy, CPA

# GENERAL REQUIREMENTS

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## FIRM MISSION

Brady, Martz & Associates' mission is "To provide quality client service and to help our clients achieve their financial goals". To accomplish this goal we give each of our clients' individualized attention and employ only the highest qualified individuals.

## INDEPENDENCE, LICENSE AND CONFLICT OF INTEREST

Brady, Martz & Associates, P.C. meets the independent requirements of the "Government Auditing Standards" issued by the Comptroller General of the United States. We also meet the independence requirements under the AICPA Standards. We are members of the American Institute of Certified Public Accountants and are licensed to practice in Minnesota, North Dakota, South Dakota, Iowa, Montana, and Nebraska.

For each of the past five years, Brady Martz & Associates, P.C. has been the independent auditors for the City of East Grand Forks and its Water and Light Department. In addition, our firm has applied agree-upon procedures which the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) has specified, to the electronic submission and related hard copy documents for the City's Economic Development and Housing Authority's Section 8 program. These professional relationships with the City are performed in accordance with applicable independence requirements and do not constitute conflicts of interest with regard to performing the proposed audits.

# GENERAL REQUIREMENTS

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## OUR GRAND FORKS OFFICE

The audits of the City of East Grand Forks and its Water and Light Department will be staffed by our Grand Forks Office. The Grand Forks office currently employs a professional staff of 64. It is estimated that four professional staff will be assigned to these engagements on a full-time basis. The Grand Forks office provides a wide range of professional services to their clientele including:

- Financial statement audits (including OMB Circular A-133 audits)
- Compliance audits
- Consulting services in association with the GFOA Certificate of Excellence in Financial Reporting
- Consultation on implementation and compliance with new GASB Statements.
- Technology needs analysis
- Pension plan audits
- Agreed upon procedures services
- Management consulting services
- Budgeting
- Employee Benefit Plans
- Accounting procedures and internal control evaluations
- Personnel recruiting and training
- Strategic planning
- Litigation support
- Forecasts and projections

Our professional audit staff has been trained in IT controls review as it applies to governmental audits. Our staff is also supported by an IT department of full-time programmers, two technology support people, and several CPA's with considerable experience in IT auditing and analysis who are available to assist, if needed.

# GENERAL REQUIREMENTS

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## FIRM QUALIFICATIONS AND EXPERIENCE

Brady, Martz & Associates, P.C. is a regional certified public accounting firm currently employing over 180 people, including approximately 100 professionals. Offices are maintained in Grand Forks, Minot, Bismarck, and Dickinson, North Dakota and Thief River Falls, Minnesota. The firm was founded with the objective of performing the highest quality professional services as timely and efficiently as possible. The core of our firm is service and expertise. Our major strength is our people.

Brady, Martz & Associates, P.C. has served the governmental industry for more than 80 years with approximately 175 governmental units currently utilizing our independent professional services. With this experience, we recognize the challenges facing governmental units in a world of ever-changing regulations and responsibilities for compliance. We also know that not every governmental unit's needs are the same. That is why we treat each client's needs with individualized attention.

The organizations we serve range in size from very small to very large and several of the organizations are recipients of federal funds. We also serve as technical advisors to many clients that prepare Comprehensive annual Financial Reports.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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## GOVERNMENTAL INDUSTRY KNOWLEDGE AND EXPERIENCE

Brady, Martz & Associates, P.C. has a broad base of governmental clients subject to the provisions and requirements contained in *Government Auditing Standards*, the Single Audit Act of 1996 and the OMB Circular A- 133 Audits of States, Local Governments and Non-Profit Organizations.

In addition to our audit services, we have provided a variety of management advisory services including consultations on bond financing, IT installation, budget assistance, software evaluations, employee benefit plan consulting, and various seminars on accounting and other topics.

Several of our clients have attained the GFOA Certificate of Excellence in Financial Reporting. We have provided consulting services to each of these entities on various reporting issues. In addition, our firm serves a technical assistant to the State of North Dakota in the preparation of its Comprehensive Annual Financial Report.

Two of our shareholders, Janelle Mulroy and Joseph Martin serve on the Government Finance Officers Association (GFOA) Special Review Committee, which is a group of finance officers, GFOA staff, auditors, and academics that volunteer time to review comprehensive annual financial reports of state and local governments.

Brady, Martz & Associates, P.C. currently has 35 professional partners and staff who provide audit services for our governmental clients. Those individuals are provided on-going training through their attendance at various seminars and meetings related to auditing and reporting on governmental units. In addition, our people have kept abreast of emerging issues in the governmental area by serving on various governmental auditing committees and task forces of the North Dakota Society of Certified Public Accountants.

To demonstrate our commitment to achieving the highest quality audits possible, we have joined the AICPA's Governmental Audit Quality Center and have named Janelle Mulroy, CPA as our firms' designated partner in charge of ensuring the quality of our Governmental audit services, particularly our services performed under Government Auditing Standards and OMB Circular A-133.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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The Center is a voluntary membership Center for CPA firms that perform governmental audits, including all audits and attestation engagements performed under Government Auditing Standards and OMB Circular A-133 of federal, state, or local governments; not-for-profit organizations; and certain for-profit organizations that receive federal assistance.

Our firm is also a member of the McGladrey Alliance which is an affiliation of top quality firms with the 5th largest accounting firm worldwide. Over 90 firms with over 4,400 individuals contributed to our shared resources. Although we maintain our local ownership and independence, we are able to draw upon these resources whenever they are needed. We have also developed working relationships with national accounting firms, regional law firms, and specialized consulting firms.

Since becoming part of the McGladrey Alliance, we have completed many successful joint service arrangements both with our existing clients and with clients of McGladrey and Pullen. We have also utilized their expertise and resources in isolated instances on specific clients. In all cases, we have been able to continue to meet our clients' needs and requests with the highest quality service.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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## QUALITY CONTROL/PEER REVIEWS

Our objective is to provide the most professional service we can and maintain high quality control over our work. To obtain these objectives, all services performed by Brady, Martz & Associates, P.C. is under the direct supervision and review of one of the shareholders. Our firm has also developed a quality control document which sets out our policies for quality services which are applied to all services we perform.

Our audit reports have been submitted to the North Dakota State Auditor's Office and have also been selected by the Minnesota Society of CPA's Governmental Accounting Committee for review. We are a member of SEC Practice Section (SECPS) and the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants. As a condition of membership in the SECPS and PCPS, we have undergone a peer review of our quality control procedures by an independent firm of CPA's, including a review of specific government engagements. A peer review results in the issuance of three different types of opinions:

- a. Pass
- b. Pass with Deficiency(ies)
- c. Fail

Brady, Martz & Associates, P.C. has received the highest opinion - Pass, which is included on page 32.

Our firm has not undergone any federal or state desk reviews or field reviews of our audits during the past three years. In addition, we have not been involved in any disciplinary actions in the past three years and there are no disciplinary action pending.

We have never been the object of any disciplinary action as a firm or as individual members.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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## AUDIT TEAM MEMBERS

To provide the City of East Grand Forks and its Water and Light Department with the most professional and qualified services, we will utilize the following members of our office.

- Janelle Mulroy** Ms. Mulroy will serve in the position of shareholder in charge of the audits and will be responsible for the audit program scope and objectives, review of audit reports and conferences with City Council. Ms. Mulroy will be responsible for evaluation of all significant audit issues. She will conduct the final review of audit work papers.
- Joseph Martin** Mr. Martin will serve as second shareholder reviewer, which will include review of the work papers and financial statements before issuance. He will also be available throughout the audit for specialized consultation, support and technical assistance.
- Amanda Scanson** Ms. Scanson will serve in the position of manager on the audit and will be responsible for audit supervision, audit coordination with the auditee, review of auditee’s accounting and internal control, scheduling, audit program assignments, compliance testing and day to day work and supervision of the junior staff assigned to the engagement.
- Other Associates** Other accountants with at least one year of experience will be assigned to the engagement based on need as determined by supervisory personnel.

Our engagement team has considerable experience in the governmental area. Detailed resumes are attached for each of the individuals listed above. In addition, Mr. Martin has completed the AICPA Certificate of Educational Achievement for Governmental Auditing. This is an intensive 64 hour program in all areas of governmental accounting and auditing.

We expect that there will be no changes during the initial one-year period of this engagement. Subsequent changes to staffing will be dependent upon maintaining a level of experience and education at least equal to that of the engagement team members being replaced.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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## ❖ Janelle Mulroy, CPA

**Business Experience:** Ms. Mulroy is a shareholder of Brady, Martz & Associates, P.C. with 21 years of experience practicing as a Certified Public Accountant with an emphasis in the audit area.

**Education:** Bachelor of Accountancy, University of North Dakota

**Government Experience:** Ms. Mulroy's emphasis is in the area of governmental and nonprofit audits. She devotes approximately 75 percent of her total time to audits of governmental and nonprofit organizations, many of which include audits in accordance with OMB Circular A-133. She is also a member of the Government Finance Officers Associations Special Review Committee where she reviews financial statements of entities applying for a Certificate of Excellence in Governmental Financial Reporting. In addition, Ms. Mulroy serves as the firm's designated partner for our membership in the AICPA's Governmental Audit Quality Center.

**Continuing Education Recently Attended:** AICPA National Governmental Industry Conference (Annually)  
Government Finance Officers Association Annual Government GAAP Update  
AICPA National Not For Profit Industry Conference  
A-133 Audits of States, Local Governments, and Non-Profit Organizations  
The Recovery Act: Information You Need to Plan and Perform Your Single Audits

**Professional Associations:** Ms. Mulroy is a member of the American Institute of CPA's and the North Dakota Society of CPA's. She is a member and past President of the Grand Forks Chapter of the North Dakota Society of CPA's and the Grand Forks Kiwanis Club. She is licensed to practice in various states including, Minnesota.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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❖ **Joseph P. Martin, CPA**

**Business Experience:** Mr. Martin is a shareholder of Brady, Martz & Associates, P.C. with 24 years of experience practicing as a Certified Public Accountant with an emphasis in the audit area.

**Education:** BS/BA Mayville State University

**Government Experience:** Mr. Martin's emphasis is in the audit area with emphasis in Government, Non-Profit and various other industries. He devotes approximately 60 percent of his total time to audits of governmental organizations. He has 24 years of experience auditing Minnesota School Districts.

Mr. Martin has successfully completed the AICPA Governmental Accounting and Auditing Certificate of Educational Achievement Program. The program is an intensive series of four integrated courses in governmental accounting and auditing, including the single audit.

**Continuing Education  
Recently Attended:**

- A-133 Audits of Non-Profit Organizations
- Governmental Accounting and Auditing Issues
- A-133 Update
- GASB Update (Annually)
- Advanced Governmental Financial Reporting
- Financial Reporting of the GFOA Certificate
- Governmental and Non-Profit Annual Update
- Governmental and Non-Profit Organizations Annual Conference
- AICPA Staff Training- Level I, II, III, IV
- Professional Standards Update
- GAAP-GAAS Update
- How to Use PPC Guide on Governmental Audits
- Minnesota School District Workshop
- Audit Procedure Workshop
- Yellow Book Update Governmental Accounting and Auditing
- Certificate of Educational Achievement Program
- Region I Annual Update

**Professional Associations:** Mr. Martin is a member of the American Institute of CPA's and the North Dakota Society of CPA's and is a member of the North Dakota Society Report Acceptance Body. He is licensed to practice in various states, including Minnesota.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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❖ **Amanda Scanson**

**Business Experience:** Mrs. Scanson is a senior associate with Brady, Martz & Associates, P.C. with 5 years of experience in audit and tax preparation. Mrs. Scanson’s auditing experience has been primarily in the governmental industry.

**Education:** Bachelors of Accountancy, University of North Dakota

**Government Experience:** Mrs. Scanson’s emphasis is in providing auditing, accounting, and tax services to a wide range of industries including cities, Tribal Governments, school districts, housing authorities and various other industries. She devotes approximately 90 percent of her time to audits of governmental organizations.

**Continuing Education  
Recently Attended:**

- Public Sector Update
- Government Accounting Issues Update (Annually)
- Understanding GASB 34
- New GASB Updates
- Governmental GAAP Update
- McGladrey level Training Courses
- Single Audit Fundamentals
- Planning and Performing Single Audits
- Fraud in Governmental and Non-Profit Organizations
- AICPA Independence Training
- Accounting and Auditing Updates

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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## ❖ John Dybwad, CPA

**Business Experience:** Mr. Dybwad is a senior associate at Brady, Martz & Associates, P.C. with 5 years of experience practicing as a certified public accountant with an emphasis in the audit area.

**Education:** Bachelor of Accountancy, University of North Dakota

**Government Experience:** Mr. Dybwad devotes approximately 30 percent of his total time to audits of governmental and not-for-profit organizations.

**Continuing Education  
Recently Attended:**

Not-For-Profit Accounting Issues Update (Annually)  
Government Accounting Issues Update (Annually)  
Industry Update for Yellow Book & A-133  
Yellow Book & Single Audit Reporting Update  
Government Auditing Standards Update 2014  
Governmental GAAP: CAFRs

**Professional Accreditations:** Certified Public Accountant, Certified Managerial Accountant, Certified Internal Auditor, Certified Fraud Examiner

**Professional Associations:** Mr. Dybwad is a member of the American Institute of CPA's, North Dakota CPA Society, Institute of Management Accountants, and Association of Certified Fraud Examiners. He is licensed to practice in various states, including Minnesota.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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❖ **Ryan Ressler, CPA**

**Business Experience:** Mr. Ressler is a senior associate of Brady, Martz & Associates, P.C. with 4 years of experience practicing in public accounting. He primarily works in the audit department with an emphasis in the governmental industry.

**Education:** Bachelor of Accountancy, University of North Dakota

**Government Experience:** Mr. Ressler devotes approximately 60% of his total time to audits of governmental units. He is a lead on numerous governmental and A-133 audits.

**Continuing Education  
Recently Attended:** Public Housing Authority Financial Conference  
Governmental GAAP Update  
Annual Accounting & Auditing Update  
AICPA Clarity Auditing Standards Update  
Reducing Governmental Accounting and Financial Report Problems  
Common Audit Deficiencies in Governmental Audits  
McGladrey Level Training Courses

**Professional Associations:** Mr. Ressler is a member of the American Institute of CPA's. He is licensed to practice in various states, including Minnesota.

# PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

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## ❖ Brady Johs, CPA

**Business Experience:** Mr. Johs is a senior associate with the Grand Forks office of Brady, Martz & Associates, P.C. and has over 3 years experience in public accounting. He primarily works in the audit department of Brady, Martz & Associates, P.C. Mr. Johs's auditing experience has been primarily in the governmental industry.

**Education:** Bachelor of Accountancy, University of North Dakota

### **Governmental**

**Experience:** Mr. Johs devotes approximately 75% of his time to audits of governmental units. He is a lead on numerous governmental and A-133 audits. Specifically, Mr. Johs has lead A-133 audits for Benson County, Sinte Gleska University, Cankdeska Cikana Community College, and Salish Kootenai College.

### **Continuing Education Recently Attended:**

Sampling Strategies in Circular A-133 Audits  
Governmental GAAP Update  
AICPA Clarity Auditing Standards Update  
Common Audit Deficiencies in Governmental Audits  
Single Audit: Common Problems  
SFA Student Financial Aid Seminars  
Annual Accounting & Auditing Update

**Professional Associations:** Mr. Johs is a member of the American Institute of CPAs and the North Dakota Society of CPAs. He is licensed to practice in various states, including Minnesota.

# SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

## SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Among our governmental audit clients are approximately, 35 cities, 20 housing authorities, 40 school districts, major agencies of the State of North Dakota, as well as several other governmental organizations. A sample of cities we have audited within the past three years that are comparable to the City of East Grand Forks include:

|                               | Total Staff Hours | Scope of Work        | Most Recent Service Date | Engagement Partner | Principal Client Contact                                     |
|-------------------------------|-------------------|----------------------|--------------------------|--------------------|--|
| City of Grand Forks, ND       | 391 Hours         | Audit & Single Audit | * December 31, 2013      | Joseph Martin      | Maureen Storstad, Director of Finance<br>Phone: 701-746-2620 |
| City of Warren, MN            | 267 Hours         | Audit & Single Audit | December 31, 2013        | Janelle Mulroy     | Shannon Mortenson, City Administrator<br>Phone: 218-745-5343 |
| City of Mahnommen, MN         | 227 Hours         | Audit                | December 31, 2013        | Janelle Mulroy     | Jeff Cadwell, City Administrator<br>Phone: 218-935-2573      |
| City of Detroit Lakes, MN     | 222 Hours         | Audit                | * December 31, 2013      | Tracee Bruggeman   | Pamela Slifka, Finance Officer<br>Phone: 218-847-5658        |
| City of Thief River Falls, MN | 307 Hours         | Audit                | * December 31, 2013      | Tracee Bruggeman   | Angie Philipp, Finance Director<br>Phone: 218-681-6223       |

\* Entity Prepares a Comprehensive Annual Financial Report and received the GFOA Certificate of Achievement for the most recent audit year that has been reviewed as of the date of this proposal.

# SPECIFIC AUDIT APPROACH

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## AUDIT OBJECTIVES

The objective of the audits is to perform professional audits of the City of East Grand Forks and its Water and Light Department's financial statements for the purpose of expressing opinions on governmental activities, business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information in conformity with generally accepted accounting principles. The audits will cover the operations of the City of East Grand Forks and its Water and Light Department as indicated in the request for proposal. The objectives also include an examination of the City of East Grand Forks and its Water and Light Department's compliance with relevant laws and regulations. Throughout our audit process we will examine for ways to assist the City of East Grand Forks and its Water and Light Department with improving their internal control structures in order to provide services in a more efficient and effective manner.

The audits will be performed in accordance with standards generally accepted in the United States of America, *Governmental Auditing Standards*, provision of the Minnesota Legal Compliance Guide and, if applicable, provisions of U.S. Office of Management and Budget Circular A-133.

## AUDIT TECHNIQUES

Our approach for these audits will include an emphasis on continuous and timely communication and coordination with the City of East Grand Forks and its Water and Light Department's personnel, especially in the planning phases of the audits. We believe that coordinating tasks prior to performing significant audit fieldwork will result in an efficient use of personnel. The specific techniques to be used will depend on the current internal accounting control system in place.

During the planning phase of our audits, we will obtain an understanding of the current accounting internal controls through documentation of the activity cycles including, but not limited to: revenues/receipts, general disbursements, payroll processing and recording. In evaluating internal controls we carefully assess the management control environment. We will also evaluate the City of East Grand Forks and its Water and Light Department's operations and their ability to generate timely and accurate financial information. At the specific financial statements account level, we will evaluate the detail controls for authorization and processing of transactions, as well as controls related to safeguarding and reporting functions.

# SPECIFIC AUDIT APPROACH

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## SCOPE OF WORK

In addition to the audit objectives above, we will perform certain limited procedures involving the required supplementary information required by the Governmental Accounting Standards Board (GASB). However, we will not express opinions or provide any assurance on the required supplementary information because the limited procedures will not provide us with sufficient evidence to express opinions or provide any assurance.

We will not audit the introductory or statistical sections of the City's comprehensive annual financial report.

We will assist the city in reviewing its Comprehensive Annual Financial Report to determine steps are taken so the City can continue to receive a Certificate of Achievement for Excellence in Financial Reporting.

## AUDIT APPROACH

Our audit approach would be as follows:

- I. Plan the Audits- This process will begin upon the award and acceptance of the engagements.
  - A. Communications with the City Council or Finance Committee and Water & Light Commission to discuss audit concerns and significant laws and regulations.
  - B. Meet with the Finance Director and General Manager prior to commencing the audits to discuss overall audit plans and incorporate any City Council, Finance Committee or Water & Light Commission suggestions into the audits.
  - C. Obtain an understanding and documentation of the internal control systems through the use of questionnaires, walkthroughs, and testing. Evaluate the internal controls for each transaction type and cycle, which will be relied upon.
  - D. Design internal control tests based upon a 90% confidence level and our assessment of inherent risks and control risks.
  - E. Perform preliminary analytical procedures including a comparison to prior year's activity and budgeted activity to identify unusual relationships and to help plan substantive testing.
  - F. Review of council minutes and Water & Light Commission minutes.

# SPECIFIC AUDIT APPROACH

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- G. Obtain documentation for our permanent files including significant agreements, contracts, state statutes, and legal documents.
- H Preparation of confirmations for those accounts to be confirmed.
- I. Obtain a schedule of expenditures of federal awards, if applicable.
- J. Schedule the fieldwork dates with the Finance Director and General Manager.
- II. Finalize the audit programs, perform the fieldwork and review the work papers and programs.
- III. Draft the comprehensive annual financial report and financial statements and prepare all required auditor's reports.
- IV. Review the draft reports, opinions, and management letters with the Finance Director and General Manager.
- V. Issue final reports, opinions and management letters.

## REPORTS TO BE ISSUED

The following reports will be issued for both the City and the Water and Light Department.

- I. Report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- II. Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. This report will disclose any significant deficiencies or material weaknesses identified as part of our audit.
- III. Report on compliance for each major federal program and on internal control over compliance required by OMB Circular A-133, if applicable.
- IV. Report to the audit committee informing them of the following:
  - A. The auditor's responsibility under generally accepted auditing standards.
  - B. The planned scope and timing of the audit.
  - C. Significant findings from the audit.

# SPECIFIC AUDIT APPROACH

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- D. Significant proposed audit adjustments.
- E. Disagreements with management.
- F. Management consultation with other accountants.
- G. Major issues discussed with management prior to retention.
- H. Difficulties encountered in performing the audit.

## WORK PAPER RETENTION AND ACCESS TO WORKING PAPERS

The audit documentation for these engagements will be retained for a minimum of five years after the report release dates and for any additional period requested by The City of East Grand Forks. Upon request, we will make the working papers available to the parties identified on page 6 of the City's request for proposal of audit services.

## IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

An anticipated potential audit problem would be obtaining account reconciliations, in particular for bank accounts, investment accounts, capital assets, and property tax revenues and receivables. We propose resolving these potential problems by having a planning meeting with City staff, prior to year end, to document account reconciliations and other items needed and assigning a completion date requirement to each of the items needed. We would work with City staff to monitor that the reconciliations and items needed are being completed by the dates agreed to.

## REPORT FORMAT

The following are reports that were issued by Brady Martz and Associates, P.C. for the City of East Grand Forks and the Water and Light Department's December 31, 2013 year end. We anticipate issuing reports in this same format for the audits covered by this proposal.

# SPECIFIC AUDIT APPROACH

To the Honorable Mayor and  
Members of the City Council  
City of East Grand Forks, Minnesota

## Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

## Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to

the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of December 31, 2013, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

As discussed in the notes to the financial statements, for the year ended December 31, 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

*Required Supplementary Information*

# SPECIFIC AUDIT APPROACH

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and additional required information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Grand Forks, Minnesota's basic financial statements. The introductory section, combining and individual non-major fund financial statements, other schedules, listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and other schedules, listed in the table of contents as supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and other schedules, listed in the table of contents as supplementary information, is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The prior year partial comparative information has been derived from the City's 2012 financial statements and, in our report dated June 28, 2013; we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2014, on our consideration of the City of East Grand Forks, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of East Grand Forks, Minnesota's internal control over financial reporting and compliance.

## **BRADY, MARTZ & ASSOCIATES, P.C.**

June 25, 2014

# SPECIFIC AUDIT APPROACH

## SAMPLE INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS – CITY OF EGF

### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and  
Members of the City Council  
City of East Grand Forks, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks basic financial statements and have issued our report thereon dated June 25, 2014.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of East Grand Forks' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or

detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in

internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that we have not identified. We did identify a certain deficiency in internal control, described in the Schedule of Findings and Questioned Costs as item 2013-001.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of East Grand Forks' financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

#### Minnesota Legal Compliance

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minnesota Legal

# SPECIFIC AUDIT APPROACH

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Compliance Audit Guide for Local Government, promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

The Minnesota Legal Compliance Audit Guide for Political Subdivisions, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City of East Grand Forks failed to comply with the provisions of the Minnesota Legal Compliance Audit Guide for Political Subdivisions. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

## The City's Response to Finding

The City's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**

June 25, 2014

# SPECIFIC AUDIT APPROACH

## SAMPLE INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH OMB CIRCULAR A-133-- CITY OF EGF

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and  
Members of the City Council  
City of East Grand Forks, Minnesota

### **Report on Compliance for Each Major Federal Program**

We have audited the City of East Grand Forks' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City of East Grand Forks' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of East Grand Forks' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City of East Grand Forks complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

# SPECIFIC AUDIT APPROACH

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## **Report on Internal Control Over Compliance**

Management of the City of East Grand Forks is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**  
June 25, 2014

# SPECIFIC AUDIT APPROACH

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## SAMPLE INDEPENDENT AUDITOR'S REPORT – CITY OF EGF WATER & LIGHT

### INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor  
Water and Light Commission  
And Members of the City Council  
East Grand Forks, Minnesota

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the City of East Grand Forks Water and Electric Funds, as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks Water and Electric Funds basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

# SPECIFIC AUDIT APPROACH

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of East Grand Forks Water and Electric Funds, as of December 31, 2013, 2012, 2011, 2010 and 2009, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

# SPECIFIC AUDIT APPROACH

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The introductory section and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**

June 25, 2014

# AUDIT SCHEDULE

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We acknowledge the following delivery schedule for the audits of the City of East Grand Forks and its Water and Light Department and have the ability to commit staff and time to the audits to meet this schedule.

|   |   |
|---|---|
| Conduct an initial audit planning conference  | December 2014   |
| Provide City staff with a detailed audit plan and a list of required schedules to be prepared by the City       | December 2014   |
| Commencement of field work  | March 2015  |
| Completion of field work  | April 30, 2015  |
| Delivery of preliminary (draft) reports and meeting with the City's Audit Committee to review the draft reports | May 15, 2015  |
| Delivery of final reports   | No later than June 1, 2015                            |
| Presentation of reports to the City Council   | No later than the second Council Meeting in June 2015 |

# SUPPLEMENTARY INFORMATION

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## TYPE OF TRAINING PROVIDED TO THE STAFF AND SUPPORT ASSISTANCE AVAILABLE

Our well-trained staff is kept current on governmental pronouncements and would be available to meet with City personnel to discuss any new pronouncements or other required consultations throughout the year.

Employees conducting a substantial portion of a governmental audit are required to take a minimum of 80 continuing education hours, with 24 specifically related to governmental audits, every two years. In addition to in-house education, we participate in many courses offered by the AICPA, GFOA, and various other organizations. Personnel who are involved in governmental engagements receive a major portion of their continuing education in the governmental area.

# PEER REVIEW OPINION

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## SYSTEM REVIEW REPORT

June 14, 2012

To the Shareholders of Brady, Martz & Associates, P.C.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brady, Martz & Associates, P.C. (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and audits of carrying broker-dealers.

In our opinion, the system of quality control for the accounting and auditing practice of Brady, Martz & Associates, P.C. applicable to non-SEC issuers in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brady, Martz & Associates, P.C. has received a peer review rating of *pass*.

*Wilson Downing Group, LLC*

Certified Public Accountants

215 Union Blvd. Suite 215 Lakewood, CO 80228 T 303-232-2262 F 303-232-7237

# CONCLUSION

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There are several factors that we believe set us apart from other CPA firms and would benefit the City:

The first is the level of experience of the staff members that are assigned to our audit engagements and the involvement of our shareholders in the audits. Our firm's shareholders spend a significant amount of time planning and working with the manager during the audit. In addition, the manager of the audit will have significant experience working with Cities and will be on site 100% of the time.

As outlined on page 7, we are members of the AICPA's Government Audit Quality Center and the McGladrey Alliance. Membership in these organizations helps keep our staff abreast of emerging issues and provide access to national resources.

Another factor is our approach and planning for the audit. We will work in a paperless environment as much as possible. We will request an electronic copy of the general ledger detail and other accounting records and will send a list of schedules that we would like prepared for the audit. However these are not requested in a specific format, as the vast majority of the audit support required can be gathered from electronic data that is generated during the monthly closing process. Therefore, we will adapt our request to match that of the work already being performed and save your people time and effort.

Our experience with governmental clients that have diversified operations and subsidiary entities also sets us apart. We have had many unique opportunities with nontraditional transactions that give us an experience that many firms do not have, including working with clients that prepare Comprehensive Annual Financial Reports.

Finally, we pride ourselves with providing excellent client service and partnering with clients to build long-term relationships.

As the audit progresses, we communicate any random developments affecting the scope of the original project. We address those changes immediately, using our most proficient and practical audit skills. Our professionals have significant experience auditing governmental entities. Our experience allows us to identify alternatives and assist in the implementation of the most advantageous solutions.

# CONCLUSION

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Our office maintains an ongoing working relationship with your organization during the entire contract period. This assures a mutual understanding of the ever-changing accounting and regulatory world and translates to a better relationship and superior product.

We, at Brady, Martz & Associates, P.C., know your industry and understand the complex issues that affect it on a daily basis. We are confident that our experienced staff can *and will* provide the highest quality audit services available.

We look forward to working with you. If you have any questions about this proposal, please call Janelle Mulroy at (701) 775-4685.

# DOLLAR COST BID

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## PRICE PROPOSAL

Our price proposals to provide audit services to the City East Grand Forks and its Water and Light Department are detailed in Attachment B.

Our fee estimates are based to a large extent on the quality, timeliness, and accuracy of the requested supporting documentation that City staff prepares for the audits. It is also based on the number and complexity of proposed audit adjustments that may be required to bring the financial statements in compliance with GAAP. We will prepare a detailed list of expected supporting audit documentation which you will need to prepare before we will be able to begin the audit. The supporting audit documentation will need to be completed and submitted to us by the corresponding mutually agreed upon due dates.

Our fee estimate does not include any accounting assistance required to assist you in preparing the required supporting audit documentation listed in the "Prepared by Client (PBC) audit documentation" letter. Also, it does not include additional time required to reconcile the supporting audit documentation to appropriate detail and/or to the general ledger.

The fee estimate also assumes that the supporting audit documentation will be completed by the agreed upon due dates and will meet the following criteria:

- All audit documentation will be completely and accurately prepared by City staff.
- Minimal (less than 10) year-end proposed adjusting and/or passed journal entries.
- No unanticipated issues which would change the scope of our work, (i.e., new complex accounting issues, new GAAP departures, change in accounting methods or practices, poor financial results which would cause a going concern issue to be addressed, changes in key accounting personnel, the engagement would start on time, etc.)
- Significant accounting issues are resolved prior to the audits.
- Federal program audits, if applicable, would require testing of no more than one major federal program.

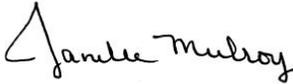
# DOLLAR COST BID

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Any additional work shall be performed only if agreed to in an addendum to the contract between the City and Brady Martz & Associates, P.C. Such additional work agreed to shall be performed at the same rates set forth in the schedule of fees and expenses in Attachment B.

Thank you for the opportunity to provide you with a proposal for audit services. If you have questions, please contact me at 701-775-4685.

**BRADY, MARTZ & ASSOCIATES, P.C.**

By  \_\_\_\_\_

Janelle Mulroy, CPA

# PROPOSER WARRANTIES

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**ATTACHEMENT A**

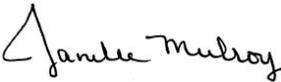
**PROPOSER WARRANTIES**

Proposer warrants that it is willing and able to comply with State of Minnesota laws with respect to foreign (non-state) corporations.

Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof.

Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City.

Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name: Janelle Mulroy, CPA

Title: Shareholder

Firm: Brady, Martz & Associates, P.C.

Date: August 25, 2014

# PROPOSER WARRANTIES

**ATTACHEMENT B**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2014 CITY'S FINANCIAL STATEMENTS**

|   | <u>HOURS</u> | <u>STANDARD<br/>HOURLY<br/>RATES</u> | <u>QUOTED<br/>HOURLY<br/>RATES</u> | <u>TOTAL</u>  |
|---|--------------|--------------------------------------|------------------------------------|---------------|
| PARTNERS  | 25           | 195                                  | 175                                | \$ 4,375      |
| MANAGERS  | 80           | 110                                  | 95                                 | 7,600         |
| SUPERVISORY STAFF                               | 110          | 95                                   | 80                                 | 8,800         |
| STAFF   | 115          | 75                                   | 60                                 | 6,900         |
| OTHER (SPECIFY)                                 |              |                                      |                                    |               |
| <br>SUBTOTAL                                    |              |                                      |                                    | <br>\$ 27,675 |
| <br>OUT-OF-POCKET EXPENSES (SPECIFY)            |              |                                      |                                    |               |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| <br>TOTAL NOT-TO-EXCEED COST FOR THE 2014 AUDIT |              |                                      |                                    | <br>\$ 27,675 |

# PROPOSER WARRANTIES

---

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2014 WATER AND LIGHT FINANCIAL STATEMENTS**

|   | <u>HOURS</u> | <u>STANDARD<br/>HOURLY<br/>RATES</u> | <u>QUOTED<br/>HOURLY<br/>RATES</u> | <u>TOTAL</u>  |
|---|--------------|--------------------------------------|------------------------------------|---------------|
| PARTNERS  | 10           | 195                                  | 175                                | \$ 1,750      |
| MANAGERS  | 45           | 110                                  | 95                                 | 4,275         |
| SUPERVISORY STAFF                               | 50           | 95                                   | 80                                 | 4,000         |
| STAFF   | 60           | 75                                   | 60                                 | 3,600         |
| OTHER (SPECIFY)                                 |              |                                      |                                    |               |
| <br>SUBTOTAL                                    |              |                                      |                                    | <br>\$ 13,625 |
| <br>OUT-OF-POCKET EXPENSES (SPECIFY)            |              |                                      |                                    |               |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| <br>TOTAL NOT-TO-EXCEED COST FOR THE 2014 AUDIT |              |                                      |                                    | <br>\$ 13,625 |

# PROPOSER WARRANTIES

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## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2015 CITY'S FINANCIAL STATEMENTS

|   | <u>HOURS</u> | <u>STANDARD<br/>HOURLY<br/>RATES</u> | <u>QUOTED<br/>HOURLY<br/>RATES</u> | <u>TOTAL</u>  |
|---|--------------|--------------------------------------|------------------------------------|---------------|
| PARTNERS  | 25           | 202                                  | 179                                | \$ 4,475      |
| MANAGERS  | 80           | 115                                  | 97                                 | 7,760         |
| SUPERVISORY STAFF                               | 110          | 100                                  | 81                                 | 8,910         |
| STAFF   | 115          | 79                                   | 62                                 | 7,130         |
| OTHER (SPECIFY)                                 |              |                                      |                                    |               |
| <br>SUBTOTAL                                    |              |                                      |                                    | <br>\$ 28,275 |
| <br>OUT-OF-POCKET EXPENSES (SPECIFY)            |              |                                      |                                    |               |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| <br>TOTAL NOT-TO-EXCEED COST FOR THE 2015 AUDIT |              |                                      |                                    | <br>\$ 28,275 |

# PROPOSER WARRANTIES

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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2015 WATER AND LIGHT FINANCIAL STATEMENTS**

|   | <u>HOURS</u> | <u>STANDARD<br/>HOURLY<br/>RATES</u> | <u>QUOTED<br/>HOURLY<br/>RATES</u> | <u>TOTAL</u> |
|---|--------------|--------------------------------------|------------------------------------|--------------|
| PARTNERS                                    | 10           | 202                                  | 179                                | \$ 1,790     |
| MANAGERS                                    | 45           | 115                                  | 97                                 | 4,365        |
| SUPERVISORY STAFF                           | 50           | 100                                  | 81                                 | 4,050        |
| STAFF                                       | 60           | 79                                   | 62                                 | 3,720        |
| OTHER (SPECIFY)                             |              |                                      |                                    |              |
| SUBTOTAL                                    |              |                                      |                                    | \$ 13,925    |
| OUT-OF-POCKET EXPENSES (SPECIFY)            |              |                                      |                                    |              |
| _____                                       |              |                                      |                                    | _____        |
| _____                                       |              |                                      |                                    | _____        |
| _____                                       |              |                                      |                                    | _____        |
| _____                                       |              |                                      |                                    | _____        |
| TOTAL NOT-TO-EXCEED COST FOR THE 2015 AUDIT |              |                                      |                                    | \$ 13,925    |

# PROPOSER WARRANTIES

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## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2016 CITY'S FINANCIAL STATEMENTS

|   | <u>HOURS</u> | <u>STANDARD<br/>HOURLY<br/>RATES</u> | <u>QUOTED<br/>HOURLY<br/>RATES</u> | <u>TOTAL</u>  |
|---|--------------|--------------------------------------|------------------------------------|---------------|
| PARTNERS  | 25           | 212                                  | 183                                | \$ 4,575      |
| MANAGERS  | 80           | 120                                  | 99                                 | 7,920         |
| SUPERVISORY STAFF                               | 110          | 105                                  | 82                                 | 9,020         |
| STAFF   | 115          | 83                                   | 64                                 | 7,360         |
| OTHER (SPECIFY)                                 |              |                                      |                                    |               |
| <br>SUBTOTAL                                    |              |                                      |                                    | <br>\$ 28,875 |
| <br>OUT-OF-POCKET EXPENSES (SPECIFY)            |              |                                      |                                    |               |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| <br>TOTAL NOT-TO-EXCEED COST FOR THE 2016 AUDIT |              |                                      |                                    | <br>\$ 28,875 |

# PROPOSER WARRANTIES

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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR  
THE AUDIT OF THE 2016 WATER AND LIGHT FINANCIAL STATEMENTS**

|   | <u>HOURS</u> | <u>STANDARD<br/>HOURLY<br/>RATES</u> | <u>QUOTED<br/>HOURLY<br/>RATES</u> | <u>TOTAL</u>  |
|---|--------------|--------------------------------------|------------------------------------|---------------|
| PARTNERS  | 10           | 212                                  | 183                                | \$ 1,830      |
| MANAGERS  | 45           | 120                                  | 99                                 | 4,455         |
| SUPERVISORY STAFF                               | 50           | 105                                  | 82                                 | 4,100         |
| STAFF   | 60           | 83                                   | 64                                 | 3,840         |
| OTHER (SPECIFY)                                 |              |                                      |                                    |               |
| <br>SUBTOTAL                                    |              |                                      |                                    | <br>\$ 14,225 |
| <br>OUT-OF-POCKET EXPENSES (SPECIFY)            |              |                                      |                                    |               |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| _____   |              |                                      |                                    | _____         |
| <br>TOTAL NOT-TO-EXCEED COST FOR THE 2016 AUDIT |              |                                      |                                    | <br>\$ 14,225 |

# PROPOSER WARRANTIES

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## SUMMARY SCHEDULE

| <u>YEAR</u>        | <u>NOT-TO-EXCEED AMOUNT</u> |
|--------------------|-----------------------------|
| 2014               | \$ 41,300                   |
| 2015               | 42,200                      |
| 2016               | 43,100                      |
| <b>GRAND TOTAL</b> | <b>\$ 126,600</b>           |

**RESOLUTION NO. 14 – 10 – 101**

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, introduced the following resolution and moved its adoption:

**RESOLUTION RATIFYING CONTRACTS**

WHEREAS, the City of East Grand Forks purchased from Hardware Hank the goods referenced in check number 19963 for a total of \$2,108.63.

WHEREAS, Craig Buckalew, was personally interested financially in the contract, but the purchases were made because the price was as low as or lower than other local vendors.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EAST GRAND FORKS:

1. The above mentioned purchase by the City and the claim of the vendor based thereon are confirmed and the Mayor and Clerk are directed to issue an order-check in payment of such claim on the filing of the affidavit of official interest required under Minnesota Statutes, Section 471.89.
2. It is hereby determined that the total price of \$2,108.63 paid for such goods is as low as, or lower than, the price at which they could have been obtained elsewhere at the time the purchase was made.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on October 14, 2014.

*Voting Aye:*  
*Voting Nay:*  
*Abstain:*

The President declared the resolution passed.

Passed: October 14, 2014

Attest:

\_\_\_\_\_  
City Administrator/Clerk-Treasurer

\_\_\_\_\_  
President of Council

I hereby approve the foregoing resolution this 14<sup>th</sup> of October, 2014.

\_\_\_\_\_  
Mayor

AFFIDAVIT OF OFFICIAL INTEREST CLAIM

STATE OF MINNESOTA )  
COUNTY OF POLK ) ss  
CITY OF EAST GRAND FORKS )

I, Craig Buckalew, being duly sworn states the following:

1. I am 3<sup>rd</sup> Ward Council Member of the City of East Grand Forks.
2. The City of East Grand Forks check number 19963 for a total of \$2,108.63.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on October 14, 2014.

Affiant states further that to the best of his knowledge and belief (a) the contract price was as low as or lower than the price at which the services could be obtained from other sources.

Affiant further states that the affidavit constitutes a claim against the city for the contract price, that the claim is just and correct, and that no part thereof has been paid.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Official)

# Accounts Payable

## Check Register Totals Only



# City of East Grand Forks

600 Demers Avenue Northwest  
 East Grand Forks, Minnesota 56721  
 (218) 773-2483 www.egf.mn

User: lkatka  
 Printed: 10/16/2014 - 9:47 AM

| Check | Date       | Vendor No | Vendor Name                         | Amount    | Voucher |
|-------|------------|-----------|-------------------------------------|-----------|---------|
| 19921 | 10/21/2014 | 3DS001    | 3D Specialties                      | 779.70    | 0       |
| 19922 | 10/21/2014 | ACM001    | Acme Electric Companies             | 132.92    | 0       |
| 19923 | 10/21/2014 | ALL003    | All Seasons Garden Center           | 41.88     | 0       |
| 19924 | 10/21/2014 | ALT001    | Altru Health System                 | 44.00     | 0       |
| 19925 | 10/21/2014 | AME002    | American Tire Service               | 20.00     | 0       |
| 19926 | 10/21/2014 | AME005    | Ameripride Linen & Apparel Services | 183.65    | 0       |
| 19927 | 10/21/2014 | ANY001    | Anytime Plumbing                    | 138.90    | 0       |
| 19928 | 10/21/2014 | AQU001    | Aqua Water Solutions                | 45.95     | 0       |
| 19929 | 10/21/2014 | BER010    | Berger's Body & Glass               | 146.50    | 0       |
| 19930 | 10/21/2014 | BOR001    | Border States Electric Supply       | 74.70     | 0       |
| 19931 | 10/21/2014 | BRA001    | Brady Martz & Associates            | 1,540.00  | 0       |
| 19932 | 10/21/2014 | BRI003    | Brite-Way Window Cleaning           | 60.00     | 0       |
| 19933 | 10/21/2014 | BCA003    | Bureau of Crim Apprehension         | 1,530.00  | 0       |
| 19934 | 10/21/2014 | C&M001    | C & M Ford Sales, Inc.              | 436.90    | 0       |
| 19935 | 10/21/2014 | C&R001    | C&R Laundry & Cleaners              | 1,120.37  | 0       |
| 19936 | 10/21/2014 | CAN001    | Canon Financial Services            | 128.00    | 0       |
| 19937 | 10/21/2014 | CAR004    | Cariveau Concrete Construction Inc  | 3,580.00  | 0       |
| 19938 | 10/21/2014 | GFT003    | Donald Scott Cash                   | 2,582.43  | 0       |
| 19939 | 10/21/2014 | CEN006    | Century Link                        | 839.95    | 0       |
| 19940 | 10/21/2014 | COL002    | Cole Papers Inc                     | 443.55    | 0       |
| 19941 | 10/21/2014 | COM003    | Complete Pest Control Inc           | 3,720.00  | 0       |
| 19942 | 10/21/2014 | AIR003    | Corval Constructors                 | 22,813.20 | 0       |
| 19943 | 10/21/2014 | CUM001    | Cummins NPower LLC                  | 2,686.60  | 0       |
| 19944 | 10/21/2014 | DAK002    | Dakota Fence                        | 5,690.70  | 0       |
| 19945 | 10/21/2014 | DIA001    | Richard Papenfuss Diamond Cleaning  | 366.65    | 0       |
| 19946 | 10/21/2014 | EAG001    | Eagle Electric                      | 827.00    | 0       |
| 19947 | 10/21/2014 | EMP001    | Emphasys Computer Solutions         | 1,313.28  | 0       |
| 19948 | 10/21/2014 | ENV003    | Environmental Toxicity Control Inc  | 775.00    | 0       |
| 19949 | 10/21/2014 | EXP003    | Explorer Post #38                   | 90.00     | 0       |
| 19950 | 10/21/2014 | EXP002    | Exponent                            | 494.00    | 0       |
| 19951 | 10/21/2014 | FAM001    | Family Institute                    | 500.00    | 0       |
| 19952 | 10/21/2014 | FAR004    | Fargo Water Equipment               | 339.46    | 0       |
| 19953 | 10/21/2014 | FRA004    | Jason Franklin                      | 239.96    | 0       |
| 19954 | 10/21/2014 | G&K001    | G&K Services                        | 109.49    | 0       |
| 19955 | 10/21/2014 | GAF002    | Gaffaney's                          | 42.93     | 0       |
| 19956 | 10/21/2014 | GAL002    | Gall's Inc                          | 891.24    | 0       |
| 19957 | 10/21/2014 | GAL003    | Galstad Jensen & McCann PA          | 11,023.75 | 0       |
| 19958 | 10/21/2014 | GEO001    | George's Quick Printing             | 28.00     | 0       |
| 19959 | 10/21/2014 | GFC001    | GF City Utility Billing             | 17,491.11 | 0       |
| 19960 | 10/21/2014 | GFF001    | GF Fire Equipment                   | 87.67     | 0       |
| 19961 | 10/21/2014 | GFH002    | GF Herald                           | 1,989.68  | 0       |
| 19962 | 10/21/2014 | GFW001    | GF Welding & Machine                | 68.04     | 0       |
| 19963 | 10/21/2014 | HAR001    | Hardware Hank                       | 2,108.63  | 0       |
| 19964 | 10/21/2014 | HEA001    | Heartland Paper                     | 253.80    | 0       |
| 19965 | 10/21/2014 | HOL002    | Holiday Credit Office               | 141.75    | 0       |
| 19966 | 10/21/2014 | HOM001    | Home of Economy                     | 33.99     | 0       |
| 19967 | 10/21/2014 | HUG001    | Hugo's                              | 334.39    | 0       |
| 19968 | 10/21/2014 | JEF004    | Duane Jeffrey                       | 310.00    | 0       |
| 19969 | 10/21/2014 | JobsHQ    | JobsHQ                              | 1,876.20  | 0       |
| 19970 | 10/21/2014 | KAM001    | Kameron Harstad                     | 877.50    | 0       |

| Check | Date       | Vendor No | Vendor Name                        | Amount    | Voucher |
|-------|------------|-----------|------------------------------------|-----------|---------|
| 19971 | 10/21/2014 | KEI001    | Keith's Security World             | 10.00     | 0       |
| 19972 | 10/21/2014 | KEL001    | Kellermeyer Building Service       | 855.00    | 0       |
| 19973 | 10/21/2014 | KNU001    | Knutson Printing Company           | 1,125.00  | 0       |
| 19974 | 10/21/2014 | LAV001    | Robyn Lavoie                       | 100.00    | 0       |
| 19975 | 10/21/2014 | LEA002    | League of MN Cities                | 834.74    | 0       |
| 19976 | 10/21/2014 | LUM001    | Lumber Mart                        | 13,018.64 | 0       |
| 19977 | 10/21/2014 | MAR004    | Marco                              | 57.60     | 0       |
| 19978 | 10/21/2014 | MCD001    | McDonald's of EGF                  | 110.63    | 0       |
| 19979 | 10/21/2014 | MPO001    | Metropolitan Planning Organization | 4,308.10  | 0       |
| 19980 | 10/21/2014 | MID003    | Midcontinent Communications        | 70.00     | 0       |
| 19981 | 10/21/2014 | MID009    | Midway Ford                        | 44,199.00 | 0       |
| 19982 | 10/21/2014 | MIK001    | Mike's Pizza                       | 46.37     | 0       |
| 19983 | 10/21/2014 | MNC005    | MN County Attorney's Association   | 58.00     | 0       |
| 19984 | 10/21/2014 | MND003    | MN Dept of Labor & Industry        | 4,085.98  | 0       |
| 19985 | 10/21/2014 | MND006    | VOID****VOID****VOID*** MN I       | 624.00    | 0       |
| 19986 | 10/21/2014 | COM002    | Morgan Printing                    | 1,175.00  | 0       |
| 19987 | 10/21/2014 | BAR005    | MSC Industrial Supply Co.          | 478.72    | 0       |
| 19988 | 10/21/2014 | NAR003    | Nartec, Inc                        | 124.66    | 0       |
| 19989 | 10/21/2014 | NEW001    | Newman Signs                       | 1,960.00  | 0       |
| 19990 | 10/21/2014 | NOR006    | Northdale Oil                      | 20.52     | 0       |
| 19991 | 10/21/2014 | NOR024    | Northland Yard Service             | 1,150.00  | 0       |
| 19992 | 10/21/2014 | ORE001    | O'Reilly Auto Parts                | 24.58     | 0       |
| 19993 | 10/21/2014 | PDQ001    | PDQ Sanitary Services              | 103.00    | 0       |
| 19994 | 10/21/2014 | PET001    | Peterson Veterinarian Clinic P.C.  | 777.00    | 0       |
| 19995 | 10/21/2014 | PIO001    | Pioneer Peat, Inc.                 | 1,260.00  | 0       |
| 19996 | 10/21/2014 | POL009    | Polk County DAC                    | 18.57     | 0       |
| 19997 | 10/21/2014 | POW001    | Power Equipment Shop               | 65.58     | 0       |
| 19998 | 10/21/2014 | PRA001    | Praxair Distribution               | 398.88    | 0       |
| 19999 | 10/21/2014 | PRE001    | Premium Waters Inc                 | 46.85     | 0       |
| 20000 | 10/21/2014 | REL003    | Reliable Door & Supply, LLC        | 17,349.00 | 0       |
| 20001 | 10/21/2014 | REL001    | Reliable Office Supplies           | 484.67    | 0       |
| 20002 | 10/21/2014 | RIV005    | Riverview Healthcare               | 20.00     | 0       |
| 20003 | 10/21/2014 | RMB001    | RMB Environmental Lab Inc          | 382.00    | 0       |
| 20004 | 10/21/2014 | MER001    | Sanford Clinic Fargo Region        | 115.00    | 0       |
| 20005 | 10/21/2014 | SIM002    | SimplexGrinnell                    | 267.50    | 0       |
| 20006 | 10/21/2014 | SKI001    | Skinner Roofing                    | 97.00     | 0       |
| 20007 | 10/21/2014 | SSU001    | Sports Systems Unlimited Corp      | 377.00    | 0       |
| 20008 | 10/21/2014 | STE005    | Steamatic of GF                    | 667.97    | 0       |
| 20009 | 10/21/2014 | STO001    | Stone's Mobile Radio Inc           | 313.84    | 0       |
| 20010 | 10/21/2014 | K&H001    | Kenley Stordahl                    | 2,000.00  | 0       |
| 20011 | 10/21/2014 | STU001    | Stuart's Towing                    | 60.00     | 0       |
| 20012 | 10/21/2014 | SUN002    | Sun Dot Communications             | 89.99     | 0       |
| 20013 | 10/21/2014 | TER002    | Terry Engebretson                  | 245.00    | 0       |
| 20014 | 10/21/2014 | THU002    | Thur-O-Clean                       | 78.00     | 0       |
| 20015 | 10/21/2014 | TOD001    | Todays Organized Living LLC        | 135.00    | 0       |
| 20016 | 10/21/2014 | TRU001    | True Temp                          | 125.00    | 0       |
| 20017 | 10/21/2014 | USB004    | US Bank Equipment Finance          | 132.81    | 0       |
| 20018 | 10/21/2014 | USF002    | US Foodservice Inc TM              | 593.57    | 0       |
| 20019 | 10/21/2014 | VER001    | Verizon Wireless                   | 643.26    | 0       |
| 20020 | 10/21/2014 | VIL001    | Vilandre Heating & A/C             | 159.67    | 0       |
| 20021 | 10/21/2014 | WAS001    | Waste Mgmt                         | 619.75    | 0       |
| 20022 | 10/21/2014 | WAT001    | Water & Light Department           | 30,920.81 | 0       |
| 20023 | 10/21/2014 | WDA001    | WDAZ TV                            | 90.00     | 0       |
| 20024 | 10/21/2014 | WEX001    | Wex Bank                           | 121.10    | 0       |
| 20025 | 10/21/2014 | WIL002    | Wilbur-Ellis                       | 197.50    | 0       |
| 20026 | 10/21/2014 | XER001    | Xerox Corporation                  | 85.81     | 0       |
| 20027 | 10/21/2014 | HIG001    | Paul Zavoral                       | 1,097.00  | 0       |

| Check | Date | Vendor No | Vendor Name | Amount | Voucher |
|-------|------|-----------|-------------|--------|---------|
|-------|------|-----------|-------------|--------|---------|

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|              |  |  |  |                   |  |
|--------------|--|--|--|-------------------|--|
| Check Total: |  |  |  | <u>225,968.09</u> |  |
|--------------|--|--|--|-------------------|--|